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ZEPHYRUS (EUROPEAN LOAN CONDUIT NO. 30) PLC*(incorporated in England and Wales with limited liability with registered number 9265263)***£196,666,000 Class A Commercial Mortgage Backed Fixed/Floating Rate Notes due 2021
(the Class A Notes)**

This document comprises a prospectus for the purpose of Article 5.3 of Directive 2003/71/EC (as amended, which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Relevant Member State of the European Economic Area) and includes any relevant implementing measure in the Relevant Member State (the **Prospectus Directive**). References in this document to this “Offering Circular” will be taken to read “Prospectus” for the purposes of the Prospectus Directive. This Offering Circular has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Class A Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any member state of the European Economic Area. Application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to its Official List and trading on the Main Securities Market. The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC. Subject as described herein, the Issuer will issue the Class A Notes on 19 December 2014 (or such later date as the Issuer and the Lead Manager may agree).

This Offering Circular relates solely to the Class A Notes. However, the Issuer will also (concurrently with the issue of the Class A Notes) draw down the Class B Loan in full, and will use the proceeds of this drawing, together with the proceeds of the issuance of the Class A Notes, to purchase the Securitised Loan. This Offering Circular therefore contains considerable information relating to the Class B Loan to enable prospective Class A Noteholders to understand the liabilities of the Issuer and related intercreditor arrangements. All references in this Offering Circular to the Class B Loan are included only for information purposes and in order to describe the Class B Loan insofar as it is relevant to the issue of the Class A Notes. However, neither the Issuer nor the Arranger, the Lead Manager, the Original Lender, the Securitised Loan Seller or the Issuer Related Parties makes any representation or warranty to any person in respect of the Class B Loan in respect of the information set out in this Offering Circular.

Key characteristics of the Class A Notes and the Class B Loan

	Class A Notes	Class B Loan
Initial principal amount	£196,666,000	£25,000,000
Issue price	102.462269 per cent.	n/a
Relevant Margin (p.a.)	1.45 per cent.	2.39 per cent.
Reference rate (up to and including the Expected Maturity Date)	1.86 per cent.	
Reference rate (after the Expected Maturity Date)	3 month LIBOR	
Mall Loan Termination Date	30 May 2019	
Expected Maturity Date	5 Business Days after the Mall Loan Termination Date	
Final Maturity Date	7 June 2021	
Interest accrual method	Actual/365	
Interest Payment Dates	Quarterly, on 28 January, 28 April, 28 July and 28 October in each year, and the Expected Maturity Date	
First Interest Payment Date	28 January 2015	
Principal Prepayment Dates	5 Business Days after receipt of Principal Receipts by the Issuer	
Application of Principal Receipts	Pre-acceleration, if no Sequential Payment Trigger exists, pro rata; if a Sequential Payment Trigger exists, sequential. Post-acceleration, sequential.	
Business Day convention	Modified Following	
Minimum denominations	Class A Notes: £100,000 and integral multiples of £1,000 in excess thereof Class B Loan: n/a	
ISIN	XS1156856947	n/a
Common Code	115685694	n/a
Ratings	Ratings have not been requested or assigned to the Class A Notes (or to the Class B Loan)	

Before making any decision to invest in the Class A Notes, prospective investors should pay particular attention to the section herein entitled “Risk Factors”, starting on page 14.

**Arranger and Lead Manager
Morgan Stanley & Co. International plc**

The date of this Offering Circular is 19 December 2014

<i>Closing Date</i>	The Issuer expects to issue the Class A Notes on or about 19 December 2014.
<i>Underlying assets</i>	<p>Amounts received by the Issuer in connection with the Securitised Loan will be allocated to the Class A Notes and the Class B Loan and applied in accordance with the Issuer Priorities of Payments.</p> <p>The Mall Loan is secured by, among other things, a portfolio of commercial properties, in each case located in the United Kingdom (each, a Property and, collectively, the Properties or the Portfolio).</p> <p>During the life of the Class A Notes, Revenue Receipts are expected to be sufficient to pay the interest amounts payable in respect of the Class A Notes (and the Class B Loan).</p> <p>See the sections entitled “Description of the Mall Facility Agreement”, “The Key Characteristics of the Mall Loan Security” and “Description of the Portfolio” for more detail.</p>
<i>Use of proceeds</i>	To acquire the Securitised Loan from the Securitised Loan Seller pursuant to the Securitised Loan Sale Documents.
<i>Credit enhancement</i>	Subordination of the Class B Loan. See the section entitled “Cashflow and Issuer Priorities of Payments” for more detail.
<i>Redemption provisions</i>	Information on the optional and mandatory redemption of the Class A Notes is summarised in the section entitled “Overview of the key provisions of the Class A Notes and the Issuer Security” and is set out in full in Condition 7 (Redemption) in the section entitled “Terms and Conditions of the Class A Notes”.
<i>Listing</i>	Regulated market of the Irish Stock Exchange.
<i>Limited recourse obligations</i>	The Class A Notes will be limited recourse obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. The Class A Notes will not be obligations of Morgan Stanley & Co. International plc, any of its respective affiliates or any other party, other than the Issuer, named in this Offering Circular.
<i>EU retention undertaking</i>	See the section entitled “Regulatory Disclosure” for information.
<i>Risk factors</i>	The section entitled “Risk Factors” contains details of certain risks and other factors to which prospective investors should give particular consideration before investing in the Class A Notes (reference is only made to the Class B Loan to the extent required to enable prospective Class A Noteholders to understand the liabilities of the Issuer and related intercreditor arrangements). Prospective investors should be aware of the issues summarised within that section. An investment in the Class A Notes is suitable only for sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to bear any loss which may result from such investment.
<i>Definitions</i>	A glossary of the defined terms used in this Offering Circular is set out in the section entitled “Glossary of defined terms”.

If any withholding or deduction for or on account of tax is applicable to payments in respect of the Class A Notes, such payments will be made subject to such withholding or deduction, without the Issuer being obliged to pay any additional amounts as a consequence.

The Class A Notes will initially be represented by a global note in registered form, which will be deposited on or about the Closing Date with, and registered in the name of a nominee of, the common depository for Euroclear and Clearstream, Luxembourg. Ownership interests in the Global Note will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. The Global Note will be exchangeable for Definitive Notes in registered form only in certain limited circumstances set out herein.

IMPORTANT NOTICES

The distribution of this Offering Circular and the offering of the Class A Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agents, the Account Bank, the Issuer Cash Manager, the Original Lender, the Securitised Loan Seller, the Arranger, or the Lead Manager or any other person that this Offering Circular may be lawfully distributed, or that the Class A Notes may be lawfully offered in compliance with any applicable registration or other requirements, in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering.

No action has been or will be taken to permit a public offering of the Class A Notes or the distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Persons into whose possession this Offering Circular (or any part hereof) comes are required by the Issuer, the Arranger and the Lead Manager to inform themselves about, and to observe, any such restrictions. Neither this Offering Circular nor any part hereof constitutes an offer of, or an invitation by or on behalf of the Issuer, the Note Trustee, the Issuer Security Trustee, the Agents, the Account Bank, the Issuer Cash Manager, the Securitised Loan Seller, the Arranger or the Lead Manager to subscribe for or purchase any of the Class A Notes and neither this Offering Circular, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

For a further description of certain restrictions on offers and sales of the Class A Notes and distribution of this Offering Circular (or any part hereof) see the section entitled “Subscription and Sale”.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import or accuracy of such information.

Where information has been indicated to have been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not verified the figures, market data and other information contained in the publicly available sources and does not assume any responsibility for the accuracy of the figures, market data or other information from the publicly available sources.

Mount Street Mortgage Servicing Limited accepts responsibility for the information contained in the section of this Offering Circular entitled “Description of the Initial Servicer and the Initial Special Servicer”. To the best of the knowledge and belief of Mount Street Mortgage Servicing Limited (having taken all reasonable care to ensure that such is the case), the information contained in the section of this Offering Circular entitled “Description of the Initial Servicer and the Initial Special Servicer” is in accordance with the facts and does not omit anything likely to affect the import of such information.

U.S. Bank Trustees Limited and Elavon Financial Services Limited, U.K. Branch both accept responsibility for the information contained in the section of this Offering Circular entitled “Description of the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager and the Account Bank”. To the best of the knowledge and belief of U.S. Bank Trustees Limited and Elavon Financial Services Limited, U.K. Branch (each having taken all reasonable care to ensure that such is

the case), the information contained in the section of this Offering Circular entitled “Description of the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager and the Account Bank” is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the General Partner and The Mall Limited Partnership accepts responsibility for the information contained in the sections of this Offering Circular entitled “The Borrower”, “Management and administration of the Properties” and “Inter-company lending arrangements”. To the best of the knowledge and belief of the General Partner and The Mall Limited Partnership (each having taken all reasonable care to ensure that such is the case), the information contained in the sections of this Offering Circular entitled “The Borrower”, “Management and administration of the Properties” and “Inter-company lending arrangements” is in accordance with the facts and does not omit anything likely to affect the import of such information.

Savills accepts responsibility for the OC Valuation contained in Appendix 1 (OC Valuation) to this Offering Circular only. To the best of the knowledge and belief of Savills (having taken all reasonable care to ensure that such is the case), the information contained in the OC Valuation is, as at the date of the OC Valuation (and based on a valuation date of 25 March 2014), in accordance with the facts and does not omit anything likely to affect the import of such information. With the exception of the OC Valuation, Savills does not accept any liability in relation to the information contained in this Offering Circular or any other information provided by the Issuer or any other party in connection with the issue of the Class A Notes.

None of the Arranger, the Lead Manager, the Original Lender, the Securitised Loan Seller or the Issuer Related Parties (other than Mount Street Mortgage Servicing Limited in respect of the information contained in the section of this Offering Circular entitled “Description of the Initial Servicer and the Initial Special Servicer” and U.S. Bank Trustees Limited and Elavon Financial Services Limited, U.K. Branch in respect of the information contained in the section of this Offering Circular entitled “Description of the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager and the Account Bank”) has separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Lead Manager, the Original Lender, the Securitised Loan Seller or the Issuer Related Parties as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with the Class A Notes. Each person receiving this Offering Circular acknowledges that such person has not relied on the Arranger, the Lead Manager, the Original Lender, the Securitised Loan Seller or the Issuer Related Parties or on any affiliate of them in connection with its investigation of the accuracy of such information or its investment decision.

No person is or has been authorised in connection with the issue and sale of the Class A Notes to give any information or to make any representation not contained in this Offering Circular 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 or by or on behalf of the Arranger, the Lead Manager, the Original Lender, the Securitised Loan Seller, the Issuer Related Parties or any of their respective affiliates, associated bodies or shareholders or the shareholders of the Issuer. Neither the delivery of this Offering Circular nor any sale or allotment made in connection with the issue of any of the Class A Notes will, under any circumstances, constitute a representation or create any implication that there has been any change in the information contained herein since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The Class A Notes and interest thereon and other amounts payable in respect thereof will not be obligations or responsibilities of any person other than the Issuer, which obligations will be limited recourse obligations in accordance with the terms thereof. In particular, the Class A Notes will not be obligations or responsibilities of, or be guaranteed by, the Arranger, the Lead Manager, the Issuer Related Parties, the Original Lender, the Securitised Loan Seller, any affiliate of the Arranger, the

Lead Manager, the Issuer Related Parties, the Original Lender, the Securitised Loan Seller or any of their respective affiliates or shareholders or the shareholders of the Issuer 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 Class A Notes.

The Issuer is not, and will not be, regulated by the Central Bank of Ireland by virtue of the issuance of the Class A Notes. Any investment in the Class A Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank of Ireland.

THE CLASS A NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER U.S. OR STATE REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

THE CLASS A NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS, NOR HAS THE ISSUER BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT. THE CLASS A NOTES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO THE ACCOUNT OR BENEFIT OF U.S. PERSONS. THE CLASS A NOTES ARE BEING OFFERED AND SOLD TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATIONS UNDER THE SECURITIES ACT. THE CLASS A NOTES ARE NOT TRANSFERABLE EXCEPT UPON SATISFACTION OF CERTAIN CONDITIONS AS DESCRIBED UNDER “TRANSFER RESTRICTIONS” HEREIN.

OFFEREE ACKNOWLEDGEMENTS

Each person receiving this Offering Circular, by acceptance hereof, hereby acknowledges that this Offering Circular has been prepared by the Issuer solely for the purpose of offering the Class A Notes described herein. Notwithstanding any investigation that the Arranger or the Lead Manager may have made with respect to the information set out herein, this Offering Circular does not constitute, and will not be construed as, any representation or warranty by the Arranger or the Lead Manager to the adequacy or accuracy of the information set out herein. Delivery of this Offering Circular to any person other than the prospective investor and those persons, if any, retained to advise such prospective investor with respect to the possible offer and sale of the Class A Notes is unauthorised, and any disclosure of any of its contents for any purpose other than considering an investment in the Class A Notes is strictly prohibited. A prospective investor will not be entitled to, and must not rely on this Offering Circular unless it was furnished to such prospective investor directly by the Issuer, the Lead Manager or the Arranger.

The obligations of the parties to the transactions contemplated herein are set out in and will be governed by certain documents described in this Offering Circular, and all of the statements and information contained in this Offering Circular are qualified in their entirety by reference to such documents. This Offering Circular contains summaries, which the Issuer believes to be accurate, of certain of these documents, but for a complete description of the rights and obligations summarised herein, reference is hereby made to the relevant actual documents as referred to herein, copies of which may (on giving reasonable notice) be obtained from the Principal Paying Agent.

EACH PERSON RECEIVING THIS OFFERING CIRCULAR ACKNOWLEDGES THAT: (A) SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW, AND HAS RECEIVED, ALL ADDITIONAL INFORMATION CONSIDERED BY IT TO BE NECESSARY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN; (B) SUCH PERSON HAS NOT RELIED ON THE ARRANGER OR THE LEAD MANAGER OR ANY AFFILIATE OF THE ARRANGER OR THE LEAD MANAGER IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION; (C) NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION REGARDING THE CLASS A NOTES OTHER THAN AS CONTAINED HEREIN, AND IF GIVEN OR MADE, ANY SUCH OTHER INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED; AND (D) NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER WILL CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS AT ANY TIME SINCE THE DATE HEREOF. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN BUSINESS, LEGAL AND TAX ADVISERS FOR INVESTMENT, LEGAL AND TAX ADVICE AND AS TO THE DESIRABILITY AND CONSEQUENCES OF AN INVESTMENT IN THE CLASS A NOTES.

FORWARD-LOOKING STATEMENTS

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Offering Circular, including with respect to assumptions on repayment, prepayment and certain other characteristics of the Mall Loan and reflect significant assumptions and subjective judgments by the Issuer, the Borrower and the Guarantors, that may or may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as “may”, “should”, “will”, “could”, “believes”, “expects”, “projects”, “anticipates”, “continues”, “intends”, “plans” or similar terms. Consequently, future results may differ from the expectations of the Issuer, the Borrower and the Guarantors generally due to a variety of factors, including (but not limited to) the economic environment and changes in governmental regulations, fiscal policy, planning or tax laws in Ireland and the United Kingdom. Other factors not presently known to the Issuer, the Borrower and the Guarantors generally or that the Issuer, the Borrower and the Guarantors presently believe are not material could also cause results to differ materially from those expressed in the forward-looking statements included in this Offering Circular. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Class A Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer, the Borrower and the Guarantors. Neither the Arranger nor the Lead Manager have attempted to verify any such statements, nor does either of them make any representation, express or implied, with respect thereto.

Prospective investors should not therefore place undue reliance on any of these forward-looking statements. None of the Issuer, the Borrower and the Guarantors or the Arranger or the Lead Manager or any other person assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

REGULATORY DISCLOSURE

EU risk retention requirements

Morgan Stanley Bank, N.A., as original lender, will retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of each of Article 405 of the Capital Requirements Regulation and Article 51 of the AIFM Regulation (which, in each case, does not take into account any corresponding national measures). As at the Closing Date, such interest will be comprised of at least a 5 per cent. *pari passu* interest in the Fixed Rate Mall Loan as required by the text of each of Article 405 and Article 51. Any change to the manner in which such interest is held will be notified to the Class A Noteholders.

Morgan Stanley Bank, N.A., as original lender, will provide a corresponding undertaking with respect to the interest to be retained by it to the Issuer in the Retention Deed.

As to the information made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this Offering Circular and, after the Closing Date, to the quarterly investor reports (a general description of which is set out in the sections entitled “Key terms of the servicing arrangements for the Securitised Loan” and “Cash Management”).

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Offering Circular generally for the purposes of complying with each of Part Five of the Capital Requirements Regulation (including Article 405) and Section Five of Chapter III of the AIFM Regulation (including Article 51) and any corresponding national measures which may be relevant and none of the Issuer, Morgan Stanley Bank, N.A., Morgan Stanley Principal Funding, Inc. nor the Lead Manager or the Arranger makes any representation that the information described above or in this Offering Circular is sufficient in all circumstances for such purposes.

For further information on the requirements referred to above and the corresponding risks, please refer to the risk factor entitled “Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Class A Notes”.

The address of the Original Lender is One Utah Centre, 201 Main Street, Salt Lake City, Utah 84111, United States and one of the significant business activities of the Original Lender is commercial lending.

VALUATION DISCLAIMER

Please see Appendix 1 for the OC Valuation produced by Savills.

The Original Lender engaged an affiliate of Savills (a member of the Royal Institution of Chartered Surveyors (**RICS**)) to carry out an independent valuation of the Properties as at 25 March 2014 in accordance with RICS Valuation Standards – Global and U.K. 8th Edition (published by RICS and effective from March 2012) (the **Former Valuation**). The Former Valuation was compiled prior to advance of the Mall Loan, for the purposes of ascertaining the valuation for the Properties, including the cash flow and income streams of the Properties. The valuations in the Former Valuation have been used to compile the OC Valuation. While this means that the OC Valuation is, by definition, a shorter form of the Former Valuation, the OC Valuation is a standalone valuation. The Former Valuation does not form part of this Offering Circular and no reliance may be placed on it by, and Savills and its Affiliates accept no responsibility for it to, prospective investors. The valuations in the OC Valuation have been used for the purposes of the transactions described in this Offering Circular and throughout this Offering Circular.

Savills does not have any material interest in the Issuer or any member of the Group.

Savills (i) has given and has not withdrawn its written consent to the inclusion in this Offering Circular of its OC Valuation (as included at Appendix 1 (OC Valuation) of this Offering Circular), and to references to its OC Valuation in the form and context in which they appear, and (ii) has authorised and accepts responsibility for the OC Valuation only. Furthermore Savills has provided confirmation that it is not aware of any material change in any matter relating to the Properties since the valuation date set out in the OC Valuation (being 25 March 2014) which would have a significant effect on the OC Valuation.

Prospective investors should be aware that the OC Valuation is based on a valuation date of 25 March 2014, over eight months prior to the date of this Offering Circular. Savills has not been requested to update or revise any of the information contained therein, nor will it be asked to do so prior to the issue of the Class A Notes. Accordingly, the information included in the OC Valuation may not reflect the current physical, economic, competitive, market or other conditions with respect to the Properties. None of the Borrower, any member of the Group, Morgan Stanley & Co. International plc as Arranger and Lead Manager, the Original Lender, the Securitised Loan Seller, the Servicer, the Special Servicer, the Issuer Cash Manager, the Note Trustee, the Issuer Security Trustee, the Mall Loan Security Agent, the Mall Loan Facility Agent, the Corporate Services Provider, the Principal Paying Agent, the Agent Bank, the Account Bank or the Registrar are responsible for the information contained in the OC Valuation.

The information contained in the OC Valuation must be considered together with all of the information contained elsewhere in this Offering Circular including, without limitation, the statements made in the section entitled “Risk Factors – Considerations relating to the Properties – Limitations of valuations”. All of the information contained in the OC Valuation is subject to the same limitations, qualifications and restrictions contained in the other portions of this Offering Circular. Prospective investors are strongly urged to read this Offering Circular in its entirety prior to reviewing the OC Valuation.

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TRANSACTION OVERVIEW

The information set out below is an overview of various aspects of the transaction. This overview does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, references to the detailed information presented elsewhere in this Offering Circular.

A glossary of defined terms is included at page 279 of this Offering Circular.

Issuance of Class A Notes and use of proceeds

On the Closing Date, the Issuer will issue the Class A Notes, subject to the satisfaction of the conditions precedent set out in the Subscription Agreement. The Issuer will concurrently draw down the Class B Loan in full.

The proceeds of the issuance of the Class A Notes, together with the proceeds of the advance of the Class B Loan, will be used by the Issuer, on the Closing Date, to acquire from the Securitised Loan Seller, pursuant to the terms of the Securitised Loan Sale Agreement, a 95 per cent. interest in the Fixed Rate Mall Loan (the **Securitised Loan**). The Securitised Loan benefits from the various security interests granted in respect of the Mall Loan.

The Issuer will use receipts of principal and interest due to it under the Securitised Loan to make payments of, among other things, principal and interest due in respect of the Class A Notes and the Class B Loan.

Summary of the Securitised Loan

The £380,000,000 loan under the Mall Facility Agreement was advanced by the Original Lender to the Borrower (the **Mall Loan**). The Mall Loan is comprised of the Floating Rate Mall Loan (£146,666,667) and the Fixed Rate Mall Loan (£233,333,333). Prior to the Closing Date, the Original Lender transferred 95 per cent. of its interest in the Fixed Rate Mall Loan (i.e. the Securitised Loan) to the Securitised Loan Seller. Only the Securitised Loan will be sold to the Issuer by the Securitised Loan Seller.

Pursuant to the Mall Facility Agreement, each Obligor jointly and severally, among other things, guarantees to each Finance Party (which will include the Issuer, as to the Securitised Loan) punctual performance by each Obligor of all of its obligations under the Finance Documents.

The following is a summary of certain features of the Securitised Loan. Investors should refer to, and carefully consider, the further details in respect of the Securitised Loan and the Mall Loan set out in the section entitled “Description of the Mall Facility Agreement”.

SECURITISED LOAN	
Mall Loan purpose:	<p>(a) Refinancing the intercompany loan agreement dated 5 May 2005 between, amongst others, the Borrower, BNY Mellon Corporate Trust Services Limited and the related capital markets transaction with Mall Funding plc as issuer</p> <p>(b) Funding the payment of distributions by the Borrower to the Mall Unit Trust:</p> <p style="padding-left: 20px;">(i) to fund the redemption or purchase of some or all of the Minority Interests; and</p> <p style="padding-left: 20px;">(ii) to enable the Mall Unit Trust to make a distribution or</p>

	<p>other payment to the C&R Entities for any costs (including purchase price) incurred by the C&R Entities in acquiring some or all of the units of retiring unitholders (which constitute Minority Interests)</p> <p>(c) General corporate purposes of the Borrower</p>
Aggregate outstanding principal balance of the Securitised Loan as at 19 December 2014:	£221,666,000 (the Securitised Loan is, as at the date of this Offering Circular, fully drawn)
Utilisation Dates:	30 May 2014, 5 November 2014
Mall Loan Payment Dates:	22 January, 22 April, 22 July and 22 October in each year and the Mall Loan Termination Date. If, however, any such day is not a Business Day, the relevant Mall Loan Payment Date will instead be the next Business Day in that calendar Month (if there is one) or the preceding Business Day (if there is not)
Mall Loan Termination Date:	30 May 2019
Mall Loan Margin:	<p>If LTV is less than or equal to 45 per cent., 1.95 per cent. per annum</p> <p>If LTV is greater than 45 per cent. but equal to or less than 60 per cent., 2.10 per cent. per annum</p> <p>If LTV is greater than 60 per cent., 2.35 per cent. per annum</p>
Mall Loan Fixed Rate:	1.86 per cent.
Interest rate:	<p>On or before the Mall Loan Termination Date: Mall Loan Margin plus the Mall Loan Fixed Rate</p> <p>After the Mall Loan Termination Date: Mall Loan Margin plus Mall Loan LIBOR</p>
Governing law:	English (certain of the Mall Loan Security Documents are governed by Jersey law)
Mall Loan Security:	<p>The English Security Agreements and the Jersey Security Agreements</p> <p>Pursuant to the Mall Facility Agreement, the Mall Loan Security is held on trust by the Mall Loan Security Agent for the benefit of the Finance Parties (which, as of the Closing Date, will include the Issuer as to the Securitised Loan)</p>
Borrower:	The Mall Limited Partnership, acting through its general partner, The Mall (General Partner) Limited
Borrower's location:	England
Obligors:	The Mall Limited Partnership, the General Partner, PPTL and PTL (acting in their capacity as trustees of the Camberley Unit Trust), Selborne Walthamstow Limited, Selborne One Limited, Selborne Two Limited, Wood Green London Limited, Wood Green One Limited, Wood Green Two Limited, Mall Nominee One Limited, Mall Nominee Two Limited and Capital & Regional (Mall GP) Limited
Cash Trap Triggers:	<p>There are two cash trap triggers – a Cash Trap (ICR/Default) Trigger and a Cash Trap (LTV) Trigger</p> <p>A Cash Trap (ICR/Default) Trigger occurs if on any Mall Loan Payment Date:</p> <p>(a) Projected Interest Cover is less than 150 per cent. or</p>

	<p>(b) a Mall Loan Default is continuing</p> <p>A Cash Trap (LTV) Trigger occurs if on any Mall Loan Payment Date, the LTV is equal to or greater than 65 per cent., calculated on the basis of the most recent Valuation</p>
Amortisation/prepayment:	Mandatory in certain circumstances, including, among others, illegality, change of control of certain members of the Group in certain circumstances, disposal of a Property, receipt of compensation or insurance proceeds in relation to a Property (see the section entitled “Prepayments” in the section entitled “Description of the Mall Facility Agreement” for further details)
Mall Loan Prepayment Fee:	Depending on when during the life of the facility a prepayment is made, a prepayment fee of up to 1.5 per cent. of the amount prepaid or cancelled may be payable (see the section entitled “Fees and prepayment fee” in the section entitled “Description of the Mall Facility Agreement” for further details). No Mall Loan Prepayment Fee is payable following the end of the 30th month after the date of the Mall Facility Agreement

See the section entitled “Description of the Mall Facility Agreement” for further information regarding the loan features referred to in the table above.

Cashflow under the Mall Loan

The tenants under leases of the Properties make rental payments in respect of the Properties. The Borrower has established (or the Property Manager has established), among other accounts, a rent account into which net rents payable by the tenants are to be paid (whether directly or indirectly).

Following the acquisition of the Securitised Loan by the Issuer, on each Mall Loan Payment Date, the Mall Loan Security Agent will transfer (to the extent funds are available for such purpose) all amounts then due to the Issuer (as Lender from the Closing Date as to the Securitised Loan) under the Mall Facility Agreement from the relevant Obligor Account directly or indirectly, as the case may be, to the Issuer Transaction Account.

Appendix 2 (Properties) lists all of the Properties that secured the Mall Loan on the date of its origination and to which the OC Valuation relates.

Payments of principal under the Securitised Loan

Repayment and/or prepayment of principal under the Securitised Loan due to the Issuer will be allocated towards the redemption of the Class A Notes and the repayment/prepayment of the Class B Loan and will be applied in accordance with the relevant Issuer Priorities of Payments (see the section entitled “Cashflow and Issuer Priorities of Payments” for further details).

Servicing of the Securitised Loan

The Issuer will appoint the Servicer to service and administer the Securitised Loan until the occurrence of a Special Servicing Transfer Event. Following the occurrence (if any) of a Special Servicing Transfer Event, the Issuer will appoint the Special Servicer as special servicer of the Securitised Loan. Following the occurrence of a Special Servicing Transfer Event, the Servicer’s duties will continue with respect to certain administrative functions.

Pursuant to the Servicing Agreement, the Servicer and the Special Servicer will exercise all rights, powers and discretions of the Issuer with respect to the Securitised Loan in accordance with the Servicing Standard. The Servicer will also be required to prepare and provide the Servicer Quarterly Report containing information with respect to the Securitised Loan, and make the same available to the Issuer Cash Manager, who will make the same publicly available at: www.usbank.com/abs (under the Investor Reporting tab).

The Servicer and the Special Servicer may, in certain circumstances, without the consent of any other person, delegate the performance of all or any of their respective obligations under the Servicing Agreement. Notwithstanding any such delegation, the Servicer or the Special Servicer, as applicable, will not be released from any liability under the Servicing Agreement in respect of the performance of its obligations.

The appointment of the Servicer or the Special Servicer can be terminated:

- (a) by the Issuer upon the occurrence of a Servicing Termination Event;
- (b) pursuant to an direction by the Class A Noteholders (acting by Extraordinary Resolution) which is actively consented to by the Class B Lender (unless there is a Class A Note Event of Default then outstanding); or
- (c) by the resignation of the Servicer or the Special Servicer by giving at least three months' written notice.

No termination of the appointment of, or resignation from the appointment by, the Servicer or Special Servicer will be effective until (among other conditions) a replacement servicer or special servicer, as the case may be, has been appointed under the terms of a servicing agreement on substantially similar terms to the Servicing Agreement (save as to remuneration).

See the section entitled "Key terms of the servicing arrangements for the Securitised Loan" for further information.

Hedging

The Borrower has entered into hedging arrangements in relation to the Floating Rate Mall Loan only. The aggregate notional amount of these hedging arrangements is at least equal to 100 per cent. of the Floating Rate Mall Loan and have been effected through fully paid interest rate caps.

See the section entitled "Description of the Cap Arrangements" for further information.

Mall Loan Security

The obligations of the Obligors under the Finance Documents are secured pursuant to the Mall Loan Security Documents as set out below.

- (a) *English law security*

Each Obligor has granted, in favour of the Mall Loan Security Agent, first fixed and/or floating security over all its property, undertaking and assets (subject to certain limitations and exclusions; see "The key characteristics of the Mall Loan Security" for further details).

(b) *Jersey law security*

In addition, certain Obligors have granted, in favour of the Mall Loan Security Agent, Jersey law security pursuant to the following agreements:

- (i) a security agreement between Capital & Regional Jersey Limited and the Mall Loan Security Agent in relation to units in the Camberley Unit Trust;
- (ii) a security agreement between the General Partner (in its capacity as general partner of the Borrower) and the Mall Loan Security Agent in relation to units in the Camberley Unit Trust;
- (iii) a security agreement between the General Partner (in its capacity as general partner of the Borrower) and the Mall Loan Security Agent in relation to the share capital of Wood Green London Limited;
- (iv) a security agreement between the General Partner (in its capacity as general partner of the Borrower) and the Mall Loan Security Agent in relation to the share capital of Selborne Walthamstow Limited; and
- (v) a security agreement between the General Partner (in its capacity as general partner of the Borrower) and the Mall Loan Security Agent relating to contract rights pursuant to certain subordinated loan agreements.

The Mall Loan Security Agent holds all such security interests on trust for the benefit of, among others, the Issuer (as to the Securitised Loan).

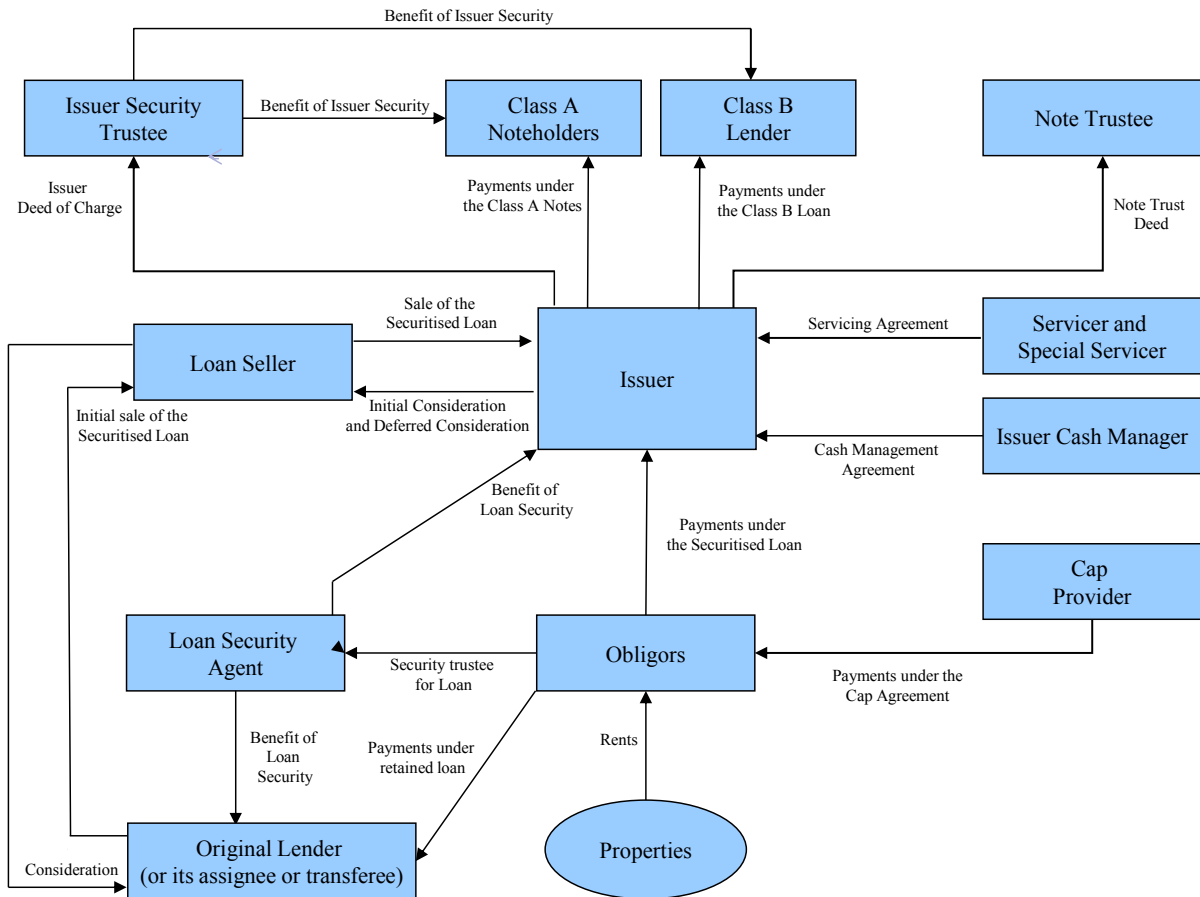
Issuer security

As security for its obligations under, among other things, the Class A Notes and the Class B Loan, the Issuer will grant fixed and floating security interests over all its assets and undertakings (which assets and undertakings comprise, primarily, its rights in respect of the Securitised Loan and the associated Mall Loan Security) in favour of the Issuer Security Trustee under the Issuer Deed of Charge.

The Issuer Security Trustee will hold the benefit of this security on trust for itself, the Class A Noteholders, the Class B Lender and the other Issuer Secured Creditors pursuant to the Issuer Deed of Charge. The priority of claims of the Issuer Secured Creditors will be subject to the relevant Issuer Priorities of Payments. See the sections entitled “Cashflow and Issuer Priorities of Payments” and “Terms and Conditions of the Class A Notes” for further details.

TRANSACTION STRUCTURE DIAGRAM

The diagram below is intended to highlight the structure of this transaction. It is not intended to be an exhaustive description of the same. Prospective Class A Noteholders should review the detailed information set out elsewhere in this Offering Circular for a description of the transaction structure and relevant cashflows prior to making any investment decision.



GROUP STRUCTURE DIAGRAM

The diagram on the following page sets out the corporate structure of the Group and certain of its Affiliates. It is not intended to be an exhaustive description or depiction of the Group.

Prospective investors in the Class A Notes should note that only the Portfolio will stand as security for the Mall Loan and, ultimately, the Class A Notes (and the Class B Loan). See the section entitled “Description of the Portfolio” for further information. Only the Obligors (being the Guarantors and the Borrower), and not any other entity depicted on this diagram have any obligations under the Mall Loan.

None of the entities depicted on this diagram have any obligations under the Class A Notes.

Prospective Class A Noteholders should review the detailed information set out elsewhere in this Offering Circular for a description of the transaction structure and relevant cashflows prior to making any investment decision.

Intercompany Balances at 19 December 2014

Legal Title

Beneficial Interest

Jersey Entity

Property

Third Party Manager

Jersey Unit Trustee

This shareholding bears no connection with the intersecting holding

Constructive Bare Trustee

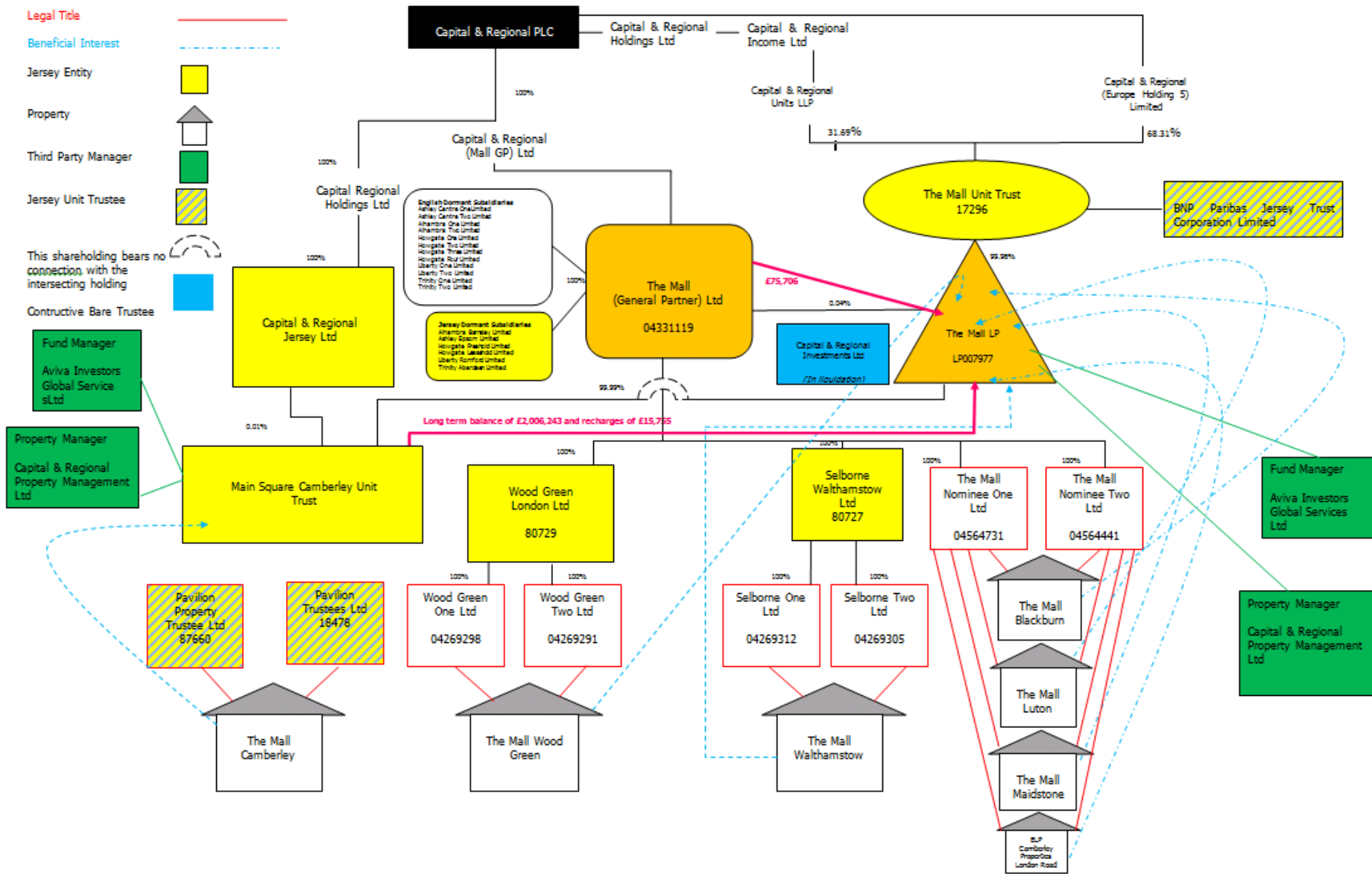
Fund Manager

Aviva Investors Global Service s.Ltd

Property Manager

Capital & Regional Property Management Ltd

Corporate Structure
The Mall Limited Partnership



KEY TRANSACTION PARTIES

The Issuer and the Issuer Related Parties on the Closing Date

Party	Name	Address	Document under which appointed/ further information
Issuer	Zephyrus (European Loan Conduit No. 30) plc	35 Great St. Helen's London EC3A 6AP	N/A. See "The Issuer" for further information.
Issuer Holdco	Zephyrus (European Loan Conduit No. 30) Holdings Limited	35 Great St. Helen's London EC3A 6AP	N/A. See "Issuer Holdco" for further information.
Servicer	Mount Street Mortgage Servicing Limited	3rd Floor New City Court 20 St Thomas Street London SE1 9RS	The Servicer will act as servicer of the Securitised Loan pursuant to the Servicing Agreement. See "Key terms of the servicing arrangements for the Securitised Loan" for further information.
Special Servicer	Mount Street Mortgage Servicing Limited	3rd Floor New City Court 20 St Thomas Street London SE1 9RS	The Special Servicer will act as special servicer of the Securitised Loan pursuant to the Servicing Agreement. See "Key terms of the servicing arrangements for the Securitised Loan" for further information.
Issuer Cash Manager	Elavon Financial Services Limited, U.K. Branch	125 Old Broad Street, London EC2N 1AR, United Kingdom	The Issuer Cash Manager will be appointed pursuant to the Cash Management Agreement. See "Cash Management" for further information.
Account Bank	Elavon Financial Services Limited, U.K. Branch	125 Old Broad Street, London EC2N 1AR, United Kingdom	The Account Bank will be appointed pursuant to the Account Bank Agreement. See "The structure of the bank accounts" for further information.
Agent Bank and Principal Paying Agent	Elavon Financial Services Limited, U.K. Branch	125 Old Broad Street, London EC2N 1AR, United Kingdom	The Principal Paying Agent will act as paying agent in respect of the Class A Notes and the Agent Bank will act as agent bank pursuant to the Agency Agreement. See "Terms and Conditions of the Class A Notes" for further information.
Note Trustee	U.S. Bank Trustees Limited	125 Old Broad Street, London EC2N 1AR, United Kingdom	The Note Trustee will act as trustee for the holders of the Class A Notes pursuant to the

Party	Name	Address	Document under which appointed/ further information
			Note Trust Deed. See “Description of the Note Trust Deed and the Issuer Deed of Charge” for further information.
Issuer Security Trustee	U.S. Bank Trustees Limited	125 Old Broad Street, London EC2N 1AR, United Kingdom	The Issuer Security Trustee will act as security trustee and will hold on trust for itself and the other Issuer Secured Creditors the security granted to it by the Issuer pursuant to the Issuer Deed of Charge. See “Terms and Conditions of the Class A Notes” and “Description of the Note Trust Deed and the Issuer Deed of Charge” for further information.
Issuer Secured Creditors	The Issuer Security Trustee (and any receiver appointed by it) on trust for itself and the Class A Noteholders, the Class B Lender, the Note Trustee, the Servicer, the Special Servicer, the Issuer Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, the Registrar, the Corporate Services Provider, the Securitised Loan Seller and any other person acceding to the Issuer Deed of Charge as beneficiary from time to time		Issuer Deed of Charge. See “Description of the Note Trust Deed and the Issuer Deed of Charge” and “Cashflow and Issuer Priorities of Payments” for further information.
Registrar	Elavon Financial Services Limited	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	The Registrar will act as registrar of the Class A Notes pursuant to the Agency Agreement. See “Terms and Conditions of the Class A Notes” for further information.
Corporate Services	Structured Finance Management Limited	35 Great St. Helen’s London EC3A 6AP	The Corporate Services Provider will act as corporate services

Party	Name	Address	Document under which appointed/ further information
Provider			<p>provider to the Issuer and the Issuer Holdco pursuant to the Corporate Services Agreement.</p> <p>See “Corporate Services Agreement” within the section entitled “The Issuer” for further information.</p>
Share Trustee	SFM Corporate Services Limited	35 Great St. Helen’s London EC3A 6AP	The Share Trustee will hold the issued share capital of the Issuer Holdco as trustee under the terms of a discretionary trust for the benefit of one or more discretionary objects.
Mall Loan Security Agent	Mount Street Loan Solutions LLP	3rd Floor New City Court 20 St Thomas Street London SE1 9RS	<p>Pursuant to the Mall Facility Agreement, the Mall Loan Security Agent acts as security trustee under English law for the Finance Parties in respect of the security granted by the Obligors in favour of the Mall Loan Security Agent.</p> <p>See “The key characteristics of the Mall Loan Security” for further information.</p>
Mall Loan Facility Agent	Mount Street Loan Solutions LLP	3rd Floor New City Court 20 St Thomas Street London SE1 9RS	<p>The Mall Loan Facility Agent is appointed by the Finance Parties pursuant to the Mall Facility Agreement.</p> <p>See “Description of the Mall Facility Agreement” for further information.</p>
Borrower	The Mall Limited Partnership	52 Grosvenor Gardens London SW1W 0AU	<p>The Borrower has entered into the Mall Facility Agreement. See “Description of the Mall Facility Agreement”.</p> <p>The Borrower has entered into certain of the Mall Loan Security Documents as security provider in respect of the Mall Loan. See “The key characteristics of the Mall Loan Security” for further information.</p>
Guarantors	The Mall Limited Partnership, The Mall (General Partner) Limited, Selborne	52 Grosvenor Gardens London SW1W 0AU	<p>The Guarantors have entered into the Mall Facility Agreement. See “Description of the Mall Facility Agreement”.</p> <p>The Guarantors have entered</p>

Party	Name	Address	Document under which appointed/ further information
	Walthamstow Limited, Selborne One Limited, Selborne Two Limited, Wood Green London Limited, Wood Green One Limited, Wood Green Two Limited, The Mall Nominee One Limited, The Mall Nominee Two Limited, Capital & Regional (Mall GP) Limited and (acting in their capacity as trustees of The Main Square Camberley Unit Trust) PPTL and PTL		into certain of the Mall Loan Security Documents as security providers (limited recourse in respect of PPTL and PTL) in respect of the Mall Loan. See “The key characteristics of the Mall Loan Security” for further information.
Additional Security Providers	BNP Paribas Jersey Trust Corporation Limited in its capacity as trustee of The Mall Unit Trust Capital & Regional Jersey Limited	BNP Paribas House Anley Street St Helier Jersey JE2 3QE 47 Esplanade St Helier Jersey JE1 OBD	The Additional Security Providers are not party to the Mall Facility Agreement. The Additional Security Providers have entered into certain of the Mall Loan Security Documents as limited recourse security providers in respect of the Mall Loan. See “The key characteristics of the Mall Loan Security” for further information.

The on-going fees, costs and expenses of the Issuer (excluding any fees, costs and expenses payable to the Servicer and the Special Servicer) are estimated to be approximately £30,000 (excluding VAT) per annum.

Other parties involved in connection with the Class A Notes

Party	Name	Address
Listing agent	Walkers Listing & Support Services Ltd.	17 -19 Sir John Rogerson’s Quay Dublin 2
Irish Stock Exchange	Irish Stock Exchange plc	28 Anglesea Street Dublin 2
Clearing Systems	Clearstream, Luxembourg	42 Avenue J.F. Kennedy L-1855 Luxembourg
	Euroclear Bank S.A./N.V.	1 Boulevard du Roi Albert II,

Party	Name	Address
		B-1210 Brussels Belgium

RISK FACTORS

An investment in the Class A Notes involves a degree of risk. This section sets out certain aspects of the Issuer Transaction Documents, the Finance Documents, the Issuer, the Obligors and the Properties of which prospective Class A Noteholders should be aware. Prospective investors should carefully consider the following risk factors and the other information contained in this Offering Circular before making an investment decision.

The occurrence of any of the events described below could have a material adverse impact on the business, financial condition or results of operations of the Issuer and/or the Obligors and could lead to, among other things:

- (a) an event of default under the Mall Loan pursuant to the Mall Facility Agreement; and/or*
- (b) a Sequential Payment Trigger (as defined in the section entitled “Cashflow and Issuer Priorities of Payments”); and/or*
- (c) a Class A Note Event of Default (as defined in Condition 10 (Class A Note Events of Default) in the section entitled “Terms and Conditions of the Class A Notes”); and/or*
- (d) an inability of the Issuer to repay all amounts due in respect of the Class A Notes.*

This section of this Offering Circular is not intended to be exhaustive, and prospective Class A Noteholders should also read the detailed information set out elsewhere in this Offering Circular prior to making any investment decision. The risks described below are not the only ones faced by the Obligors or the Issuer. Additional risks not presently known to the Issuer or the Obligors or that they currently believe to be immaterial may also adversely affect their business. If any of the following risks occur, the Issuer, the Obligors or the Properties could be materially adversely affected. In any such case(s), the value of the Class A Notes could decline, and the Issuer may not be able to pay all or part of the interest, principal or other amounts due on the Class A Notes and investors may lose all or part of their investment. Prospective Class A Noteholders should take their own legal, financial, accounting, tax and other relevant advice as to the structure and viability of an investment in the Class A Notes.

In addition, while the various structural elements described in this Offering Circular are intended to lessen some of the risks discussed below for the Class A Noteholders, there can be no assurance that these measures will be sufficient to ensure that the Class A Noteholders receive payment of interest or repayment of principal from the Issuer on a timely basis or at all.

As this Offering Circular relates solely to the Class A Notes, this “Risk Factors” section does not set out any risks associated with the Class B Loan.

A. CONSIDERATIONS RELATING TO THE CLASS A NOTES

Risks relating to the sufficiency of the assets of the Issuer

Payments in respect of the Class A Notes (and the Class B Loan) are dependent on, and limited to, the receipt of funds under the Securitised Loan. There is no liquidity facility available to the Issuer to fund any payments in respect of the Class A Notes (or the Class B Loan). In turn, recourse to the Securitised Loan is generally limited to the Obligors and their respective assets, which consist of the Properties and certain other assets, security over which has been granted to secure the Mall Loan. The Obligors' business activities are limited to:

- (a) in the case of the Borrower and the General Partner, the ownership of other Obligors;
- (b) in the case of the GP Shareholder, the ownership of the General Partner; and
- (c) in the case of each Obligor, the ownership and management of its interests in the Property or Properties in which it has an interest and/or the ownership of another Obligor/s.

The ability of the Borrower to make payments on the Securitised Loan prior to the Mall Loan Termination Date and, therefore, the ability of the Issuer to make payments on the Class A Notes (and the Class B Loan) on or prior to the Final Maturity Date is dependent primarily on the sufficiency of the net rental income generated in respect of the Properties. Unless previously repaid, the Mall Loan will be required to be repaid by the Borrower in full on the Mall Loan Termination Date.

If, following the occurrence of a Mall Loan Event of Default and following the exercise by the Servicer or the Special Servicer of all available rights and remedies in respect of the Securitised Loan (including instructing the Mall Loan Security Agent to take action in respect of the Mall Loan Security to the extent possible (such extent depending on the Issuer's Commitment as a percentage of the Total Commitment at the relevant time)), the Issuer and/or the Issuer Security Trustee does not receive the full amount due from the Borrower, then it may not be possible, even if the subordination of the Class B Loan is taken into account, to pay some or all of the principal and interest due on the Class A Notes.

Any losses on the Securitised Loan will be allocated to, first, the Class B Lender, and second, the holders of the Class A Notes, as described under "Subordination of Class B Loan" below and in the section entitled "Cashflow and Issuer Priority of Payments". Class A Noteholders should be aware that prior to the service of an Issuer Debt Acceleration Notice, until a Sequential Payment Trigger has occurred that is continuing, payments of principal received by the Issuer under the Securitised Loan will be applied *pro rata* in prepayment of the Class A Notes and the Class B Loan.

The rate and timing of delinquencies or defaults on the Mall Loan will affect the aggregate amount of distributions on the Class A Notes, their yield to maturity, the rate of principal repayments and their weighted average life.

If anticipated yields are calculated based on assumed rates of default and losses that are lower than the default rate and losses actually experienced, and such losses are allocable to the Class A Notes, the actual yield to maturity will be lower than the assumed yield. Under certain extreme scenarios, such yield could be negative. In general, the earlier a loss borne by the Class A Notes occurs, the greater the effect on the related yield to maturity.

Additionally, delinquencies and defaults in respect of the Mall Loan may significantly delay the receipt of or reduce the amount of payments on the Class A Notes, unless the credit support provided

through the subordination of the Class B Loan fully offsets the effects of any such delinquency or default.

The Class A Notes are limited recourse obligations of the Issuer

On realisation or enforcement of the Issuer Security, in the event that the proceeds of such realisation or enforcement are insufficient to pay all amounts due under the Class A Notes (after payment of all other claims ranking higher in priority to or *pari passu* with amounts due under the Class A Notes), the Class A Noteholders will have no further claim against the Issuer in respect of such unpaid amounts.

Enforcement action under the Issuer Deed of Charge over the assets secured under the Issuer Deed of Charge and appointment of a receiver by the Issuer Security Trustee under the Issuer Deed of Charge is the only substantive remedy available for the purposes of recovering amounts owed in respect of the Class A Notes.

Forward-looking statements

This Offering Circular includes statements that are, or may be deemed to be, forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks and uncertainties include, but are not limited to, those described in this “Risk Factors” section of this Offering Circular. Such risks and uncertainties should not be construed as exhaustive and should be read in conjunction with the other cautionary statements in this Offering Circular.

The forward-looking statements are not guarantees of future performance and the actual results of operations, financial condition and liquidity, and the market in which the Issuer and the Obligors operate, may differ materially from those made in or suggested by the forward-looking statements set out in this Offering Circular. In addition, even if the results of operations, financial condition and liquidity of the Issuer and the Obligors, and the development of the market in which the Issuer and the Obligors operate, are consistent with the forward-looking statements set out in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods. Many factors could cause the Issuer’s or the Obligors’ actual results, performance or revenues to be materially different from any future results, performance or revenues that may be expressed or implied by such forward-looking statements including, but not limited to the other risks described in this section.

Any forward-looking statements which are made in this Offering Circular speak only as of the date of such statements. Neither the Issuer nor the Obligors intend, and undertake no obligation, to revise or update the forward-looking statements included in this Offering Circular to reflect any future events or circumstances.

Risks relating to the calculation of amounts and payments

Elavon Financial Services Limited, U.K. Branch, as the Issuer Cash Manager under the Issuer Transaction Documents, will rely on the Servicer and the Special Servicer to provide it with information on the basis of which it will make the determinations required to calculate payments due on the Class A Notes on each Revenue Determination Date and each Principal Determination Date as described in the section entitled “Cashflow and Issuer Priorities of Payments”. If the Servicer or, as the case may be, the Special Servicer fails to provide the relevant information to the Issuer Cash Manager (or fails to do so within the required timeframe), the Issuer Cash Manager may not be able to accurately calculate amounts due to Class A Noteholders on the related Interest Payment Date or Principal Prepayment Date.

If the Servicer or, as the case may be, the Special Servicer fail to supply the Issuer Cash Manager with any information it requires to make any determinations, the Issuer Cash Manager will make all reasonable enquiries of the Servicer or the Special Servicer, as applicable, and the Mall Loan Facility Agent to obtain such information. If the Servicer or the Special Servicer, as applicable, and the Mall Loan Facility Agent fails to provide such information, the Issuer Cash Manager will make its determinations based on the information it does have in connection with payments due on the Class A Notes (and the Class B Loan) on the relevant Interest Payment Date and/or Principal Prepayment Date. If the Issuer Cash Manager does not have sufficient information to make such determinations it can make its determinations based on information provided to it by the Servicer or, as the case may be, the Special Servicer, on or around the three preceding Revenue Determination Dates or Principal Determination Dates. Such determinations by the Issuer Cash Manager may not be accurate and the Issuer Cash Manager will not be liable to any person (in the absence of negligence, fraud, material default or material breach) for the accuracy of such determinations.

The Conditions provide that if, for whatever reason, an incorrect payment is made to any party entitled thereto (including the Class A Noteholders) pursuant to the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Allocation Rules or the Post-Acceleration Priority of Payments, the Issuer Cash Manager will rectify the same by increasing or reducing payments to such party (including the Class A Noteholders), as appropriate, on each subsequent Interest Payment Date(s), Principal Prepayment Date(s) or other date on which any form of payment is due to any such party to the extent required to correct the same. Where such an adjustment is required to be made, the Issuer Cash Manager will notify the Class A Noteholders of the same in accordance with the terms of Condition 17 (Notice to Class A Noteholders).

Accordingly, the Class A Noteholders should be aware that in such situations, increased or reduced payments may be made to them.

Additionally, any person purchasing the Class A Notes from an existing Class A Noteholder should make due enquiries as to whether such Class A Noteholder has received an incorrect payment. None of the Issuer, the Issuer Cash Manager, the Account Bank, the Agents, the Note Trustee, the Issuer Security Trustee, the Servicer or the Special Servicer will have any liability to any Class A Noteholder for any losses suffered as a result of an adjustment relating to an incorrect payment made before such Class A Noteholder acquired the Class A Notes.

Considerations relating to yield and prepayments

The yield to maturity on the Class A Notes will depend, to a large extent, upon the rate and timing of principal payments on the Securitised Loan. For this purpose, principal prepayments include both voluntary prepayments, if permitted, and involuntary prepayments, such as, for example, prepayments resulting from defaults and liquidations.

If any of the Class A Notes are purchased at a premium, and if payments and other collections of principal on the Securitised Loan occur at a rate faster than anticipated at the time of the purchase, then the weighted average period during which interest is earned on the Class A Noteholders' investments may shorten and the actual yield to maturity on the Class A Notes may be lower than assumed at the time of the purchase.

If the Class A Notes are purchased at a discount, and if payments and other collections of principal on the Securitised Loan occur at a rate slower than anticipated at the time of the purchase, then the actual yield to maturity on the Class A Notes may be lower than assumed at the time of the purchase.

The investment performance of any Class A Note may vary materially and adversely from expectations due to the rate of payments and other collections of principal on the Securitised Loan being faster or slower than anticipated. Accordingly, the actual yield may not be equal to the yield

anticipated at the time the Class A Note was purchased, and the expected total return on investment may not be realised.

An independent decision should be made by prospective Class A Noteholders as to the appropriate prepayment assumptions to be used when deciding whether to purchase any Class A Note.

There is no redemption premium payable on the Class A Notes for any component of principal that is prepaid or repaid on the Class A Notes at any time during their life.

The Class A Fixed Rate Break Costs do not take into account the Class A Margin payable on the Class A Notes. The Class A Fixed Rate Break Costs are a product of the Mall Loan Fixed Rate Break Costs received by the Issuer under the Mall Facility Agreement (which do not take into account Mall Loan Margin) and are therefore not equivalent to any form of usual fixed rate note redemption premium calculation. As such, the Class A Noteholders are not compensated for the Class A Rate of Interest payable on their Class A Notes for any component of principal prepaid during the life of the Class A Notes.

In addition, the Mall Loan Fixed Rate Break Costs are calculated to only be payable to the Mall Loan Termination Date (rather than the Final Maturity Date). As such, the Class A Noteholders are not compensated for the Class A Rate of Interest that would have been payable on their Class A Notes for any component of principal prepaid between the Expected Maturity Date and the Final Maturity Date (in addition to not being compensated for any component of principal prepaid between the Closing Date and the Expected Maturity Date).

In addition, prepayments on the Class A Notes can be made on any day and do not need to be made on an Interest Payment Date. Interest accrued from the Interest Payment Date preceding a prepayment to (but excluding) the date of redemption only (rather than to the next Interest Payment Date) will be payable (together with such prepayment) to the Class A Noteholders whose Class A Notes have been partially or fully redeemed by such prepayment.

Risks relating to final maturity of the Class A Notes

The Securitised Loan may not be fully repaid or refinanced by the Mall Loan Termination Date. This means that the Class A Notes may not be repaid by this date.

After the Mall Loan Termination Date if the Mall Loan is not repaid in full, the Mall Loan Security relating to the Securitised Loan may not be fully realised. This is most likely to arise in situations where prevailing market conditions or refinancing options are constrained such that realisations of the Properties made on or before the Final Maturity Date are likely to be lower than they would have been under market conditions as at the date on which the OC Valuation was carried out. In any case, this might result in a failure by the Issuer to repay the Class A Notes on or prior to the Final Maturity Date.

If (a) any part of the Securitised Loan remains outstanding on the Note Maturity Plan Trigger Date and (b) in the opinion of the Special Servicer, all recoveries then anticipated by the Special Servicer with respect to the Securitised Loan (whether by enforcement of the related Mall Loan Security, the Issuer Security or otherwise) are unlikely to be realised in full prior to the Final Maturity Date, the Special Servicer will be required to present a Note Maturity Plan no later than 45 days after the Note Maturity Plan Trigger Date. At least one proposal provided by the Special Servicer must be that the Issuer Security Trustee, at the cost of the Issuer, will engage an independent financial advisor or a receiver to advise the Issuer Security Trustee as to the realisation of the Issuer Security. The other requirements and the timing of the Note Maturity Plan are described in more detail in the “Key terms of the servicing arrangements for the Securitised Loan” section below.

Upon receipt of the draft Note Maturity Plan, the Issuer will convene a meeting of the Class A Noteholders and the Class B Lender (the non-attendance of which will not affect the validity of the meeting) at which the Class A Noteholders and the Class B Lender will have the opportunity to discuss the various proposals contained in the draft Note Maturity Plan with the Special Servicer. Following such meeting, the Special Servicer will have the opportunity to modify the draft Note Maturity Plan and will provide a final Note Maturity Plan to the Issuer (which will provide a copy of the same to the Class A Noteholders and the Class B Lender), the Note Trustee and the Issuer Security Trustee.

Upon receipt of the final Note Maturity Plan, the Issuer will convene a meeting of the Class A Noteholders at which the Class A Noteholders will be requested to select (by way of Ordinary Resolution) their preferred option among the proposals set out in the final Note Maturity Plan. The proposal that receives the approval of the Class A Noteholders by way of Ordinary Resolution will be implemented by the Special Servicer (without requiring the consent of the Class B Lender). If no proposal receives the approval of the holders of the Class A Notes then outstanding by way of Ordinary Resolution at such meeting, then the Issuer Security Trustee will be deemed to be directed by all the Class A Noteholders and the Class B Lender to appoint a receiver (to the extent applicable) to realise the security created pursuant to the Issuer Deed of Charge as soon as practicable upon such right becoming exercisable. However, the Issuer Security Trustee will have no obligation to do so if it shall not have been indemnified and/or secured and/or prefunded to its satisfaction. Such realisation may be undertaken in unfavourable market conditions which may reduce the amount recovered by the Issuer Security Trustee and hence the amount available to repay the Class A Notes and any overdue interest and other payments on the Class A Notes.

Risks relating to the deferral of the Class A Additional Interest

To the extent that, on any Interest Payment Date, there are insufficient funds available to the Issuer to pay the full amount of any Class A Additional Interest, such failure to pay the Class A Additional Interest will not constitute a Class A Note Event of Default, and the amount of shortfall in the Class A Additional Interest (the **Deferred Class A Additional Interest**), will not fall due on that Interest Payment Date. Instead, the Issuer shall create a provision in its accounts for the related Deferred Class A Additional Interest on the relevant Interest Payment Date. The Issuer's liability to pay the Class A Additional Interest will be deferred until the earlier of: (a) the next following Interest Payment Date on which the Issuer has, in accordance with the relevant Issuer Priority of Payments, sufficient funds available to pay such deferred amounts; and (b) the date on which the relevant Notes are due to be redeemed in full. Such Deferred Class A Additional Interest shall not accrue interest.

The Class A Noteholders should be aware that interest on the Class B Loan can be deferred in the same manner as payment of the Class A Additional Interest (except that interest will accrue on any Class B Loan interest so deferred). Class B Loan interest (and any Deferred Class B Loan Interest) is payable in priority to any Class A Additional Interest.

Sequential Payment Trigger

Prior to the service of an Issuer Debt Acceleration Notice, the Pre-Acceleration Principal Allocation Rules provide for Principal Receipts to be applied in:

- (a) a *pro rata* manner if there is no Sequential Payment Trigger in existence (in accordance with the Pre-Sequential Payment Trigger Principal Priority of Payments); and
- (b) a sequential manner if there is a Sequential Payment Trigger in existence (in accordance with the Post-Sequential Payment Trigger Principal Priority of Payments).

The determination whether a Sequential Payment Trigger is in existence is made on a Principal Determination Date which is several days prior to the corresponding Principal Prepayment Date. As such, there is a risk that a Sequential Payment Trigger could arise in the period between a Principal Determination Date and a Principal Prepayment Date. In such a situation, Principal Receipts would still be applied in a *pro rata* manner on that Principal Prepayment Date, notwithstanding that a Sequential Payment Trigger was in existence on that date.

Subordination of Class B Loan

Payments of interest and principal will be made to the Class A Noteholders in the priorities set out in the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Allocation Rules or the Post-Acceleration Priority of Payments, as applicable.

Pursuant to the Pre-Acceleration Principal Allocation Rules, any principal prepayments received by the Issuer under the Mall Facility Agreement will, prior to the occurrence of a Sequential Payment Trigger that is continuing, be applied *pro rata* in prepayment of the Class A Notes and the Class B Loan (the amount payable under the Class B Loan would be reduced by an amount equal to any Principal Workout Fees due to the Special Servicer). Following the occurrence of a Sequential Payment Trigger, principal received by the Issuer under the Mall Facility Agreement will, first, be applied in payment of any Principal Workout Fees or Principal Liquidation Fees to the Special Servicer, second, in prepayment/repayment of the Class A Notes and, third, in prepayment/repayment of the Class B Loan. Following the service of an Issuer Debt Acceleration Notice, principal received by the Issuer under the Mall Facility Agreement will be applied in accordance with the Post-Acceleration Priority of Payments.

Notwithstanding the subordination structure described above, under certain circumstances investors in the Class A Notes may not recover their initial investment.

Amounts payable by the Issuer to other Issuer Secured Creditors such as the Servicer, the Special Servicer, the Issuer Cash Manager, the Account Bank, the Agents, the Note Trustee and the Issuer Security Trustee rank in priority to payments of principal (in some cases) and interest on the Class A Notes, both before and after an enforcement of the Issuer Security or service of an Issuer Debt Acceleration Notice.

Absence of operating history of the Issuer; reliance on agents and other entities

The Issuer is a recently formed special purpose public limited company whose business will consist solely of the issuance of the Class A Notes, the drawdown of the Class B Loan and the entering into and performance of its obligations under the Issuer Transaction Documents, the Finance Documents and related agreements and activities, as applicable. The Issuer has no operating history.

Certain of the business activities of the Issuer are to be carried out on behalf of the Issuer by entities appointed for such purpose. Neither the Issuer nor the Corporate Services Provider will have any role in determining or verifying the data received from the Servicer, the Special Servicer, the Issuer Cash Manager, the Account Bank, the Agents, the Note Trustee and the Issuer Security Trustee and any calculations derived therefrom.

Appointment of substitute Servicer or substitute Special Servicer

The termination of the appointment of the Servicer or the Special Servicer, or the resignation of the Servicer or the Special Servicer, as applicable, under the Servicing Agreement will only be effective once a substitute servicer, or substitute special servicer as the case may be, has effectively been appointed (see “Key terms of the servicing arrangements for the Securitised Loan” for further information).

There can be no assurance that a suitable substitute servicer or substitute special servicer could be found who would be willing to service the Securitised Loan at a commercially reasonable fee, or at all, on the terms of the Servicing Agreement (even though such agreement provides for the fees payable to a substitute servicer or substitute special servicer to be consistent with those payable generally at that time for the provision of the relevant commercial mortgage administration services).

In any event, the ability of such substitute servicer or substitute special servicer to perform such services fully would depend on the information and records then available to it. The fees and expenses of a substitute servicer or substitute special servicer performing services in this way would be payable in priority to payment of interest and principal under the Class A Notes.

Conflicts between the Servicer, the Special Servicer and the Issuer

The Issuer has been advised by the Servicer and Special Servicer that each of them intends to continue to service existing and new loans for third parties and its own portfolio, including loans similar to the Securitised Loan, in the ordinary course of their respective businesses. These loans may be in the same markets or have common ultimate owners, obligors and/or property managers as the Securitised Loan and the Properties. Certain personnel of the Servicer or Special Servicer, as applicable, may, on behalf of the Servicer or Special Servicer, as applicable, perform services with respect to the Securitised Loan at the same time as they are performing services, on behalf of other persons or itself, with respect to other loans in the same markets as the Properties securing the Securitised Loan. In such a case, the interests of the Servicer or Special Servicer, as applicable, and its affiliates and their other clients may differ from and compete with the interests of the Issuer and such activities may adversely affect the amount and timing of collections on the relevant Securitised Loan and could reduce receipts and recoveries under the Securitised Loan, which may, even if the subordination of the Class B Loan is taken into account, reduce funds available to make payment on amounts due under the Class A Notes.

In addition, affiliates of the Servicer or Special Servicer, as applicable, may actively engage in the financing of commercial property, including commercial property that competes with the Properties, and may in the future have relationships, including financing relationships, with the equity owners of the Borrower. Such activities and relationships may create conflicts of interest for a Servicer or Special Servicer, as applicable, in its servicing of the Securitised Loan.

Although the potential for a conflict of interest exists in these circumstances, pursuant to the terms of the Servicing Agreement, the Servicer or Special Servicer, as applicable, will be obliged to act in accordance with the Servicing Standard which would require them to service such loans without regard to such affiliation.

Conflicts between the Original Lender, the Arranger, the Lead Manager, the Securitised Loan Seller and affiliates of the Original Lender, the Arranger, the Lead Manager or the Securitised Loan Seller, on one hand, and the Issuer, on the other hand

Conflicts of interest between affiliates of the Original Lender, the Arranger, the Lead Manager or the Securitised Loan Seller that engage in the acquisition, development, operation, financing and disposal of commercial property, the Original Lender, the Arranger, the Lead Manager and the Securitised Loan Seller, on one hand, and the Issuer, on the other hand, may arise because such affiliates, the Original Lender, the Arranger, the Lead Manager and the Securitised Loan Seller will not be prohibited in any way from engaging in business activities similar to or competitive with those of the Obligors.

The Original Lender, the Arranger, the Lead Manager, the Securitised Loan Seller and their respective affiliates, intend to continue to actively acquire, develop, operate, finance and dispose of property-related assets in the ordinary course of their businesses. During the course of their business activities,

the Original Lender, the Arranger, the Lead Manager, the Securitised Loan Seller and their respective affiliates may provide liquidity facility and swap counterparty services or acquire, own or sell properties or finance loans secured by properties which are in the same markets as the Properties. In such a case, the interests of such affiliates, the Original Lender, the Arranger, the Lead Manager and/or the Securitised Loan Seller may differ from and compete with the interests of the Issuer, and decisions made with respect to such assets may adversely indirectly affect the amount and timing of distributions with respect to the Class A Notes.

In addition, the Original Lender, the Arranger, the Lead Manager and the Securitised Loan Seller and their respective affiliates may have business, lending or other relationships with, or equity investments in, obligors under loans or tenants and conflicts of interest could arise between the interests of the Issuer and the interests of the Original Lender, the Arranger, the Lead Manager, the Securitised Loan Seller and such affiliates arising from such business relationships.

Risks relating to the rights of the Class A Noteholders, Extraordinary Resolutions and Class A Noteholder meetings

The provisions of the Issuer Transaction Documents relating to the convening of meetings of Class A Noteholders and the passing of Extraordinary Resolutions and Ordinary Resolutions significantly differ from the equivalent provisions in the documentation for many comparable commercial mortgage backed securitisations.

In particular, notice periods for convening such meetings are much shorter and the majority required to pass an Extraordinary Resolution is lower than those applicable in other CMBS transactions (see “Risks relating to the Class A Noteholder meetings” below). Notice periods in respect of resolutions relating to Finance Document Requests are particularly short in this respect.

The Issuer Transaction Documents provide for Ordinary Resolutions and certain Extraordinary Resolutions to be deemed to be passed by Negative Consent (see “Risks relating to Negative Consent process” below).

The Class A Noteholders should be aware that unless they have made arrangements to promptly receive notices sent to them from any custodians or other intermediaries through which they hold their Class A Notes or have registered their beneficial interest in the relevant Class A Notes with the Servicer (see “Class A Noteholder Communications” for further details) and give the same their prompt attention, meetings may be convened and/or Extraordinary Resolutions or Ordinary Resolutions, including in relation to the Note Maturity Plan and/or the Note EoD Plan, may be considered and resolved or deemed to be passed without their involvement.

Prospective investors should, therefore, pay particular attention to the terms referred to above when considering whether or not to invest in the Class A Notes as their rights may differ from those available to them under comparable CMBS transactions.

Risks relating to the Class A Noteholder meetings

Physical meetings

All resolutions, excluding resolutions relating to Finance Document Requests, can be considered at a physical meeting of the Class A Noteholders.

A meeting of the Class A Noteholders in respect of any matter (other than a Finance Document Request) may be held on 14 clear days’ notice.

The requisite quorum for any such meeting is one or more persons holding or representing at least (in relation to an Ordinary Resolution) 25 per cent. or (in relation to an Extraordinary Resolution) 50.1 per cent. of the Principal Amount Outstanding of the Class A Notes then outstanding except where the Class A Noteholders wish to consider a Basic Terms Modification. The quorum for a meeting where the Class A Noteholders wish to consider a Basic Terms Modifications requires one or more persons holding or representing not less than 75 per cent. of the Principal Amount Outstanding of the Class A Notes then outstanding.

An adjourned meeting of the Class A Noteholders in respect of any matter other than a Finance Document Request may be held on seven clear days' notice. The requisite quorum for such a meeting is one or more persons holding or representing any Class A Noteholders whatever the Principal Amount Outstanding of Class A Notes outstanding held by them, except where the Class A Noteholders wish to consider a Basic Terms Modification. The quorum for an adjourned meeting where the Class A Noteholders wish to consider a Basic Terms Modification requires one or more persons holding or representing not less than $33\frac{1}{3}$ per cent. of the Principal Amount Outstanding of the Class A Notes then outstanding.

As a result of these requirements, it is possible that a valid Class A Noteholder meeting may be held without the attendance of the Class A Noteholders who may have wished to attend and/or vote.

In addition, the Class A Noteholders who do not register their beneficial interest in the relevant Class A Notes with the Servicer (see the section entitled "Class A Noteholder Communications" for further details) may not receive notice of any proposed Class A Noteholder meeting as early as those Class A Noteholders who do register their beneficial interest in Class A Notes with the Servicer. As a result, there is a greater risk that a valid Class A Noteholder meeting may be held without the attendance of those Class A Noteholders who may have wished to attend and/or vote.

Risks relating to the Negative Consent process

An Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Class A Note Event of Default, the acceleration of the Instruments or the enforcement of the Issuer Security) or an Ordinary Resolution (other than an Ordinary Resolution to sanction a Note Maturity Plan or a Note EoD Plan), may be passed by the Negative Consent of the relevant Class A Noteholders i.e. without any Class A Noteholder meeting having taken place or Class A Noteholders having voted in favour of such resolution as long as holders in respect of a sufficient Principal Amount Outstanding of Class A Notes then outstanding have not voted against such resolution.

An Extraordinary Resolution or an Ordinary Resolution, as applicable, will be deemed to have been passed by the Class A Noteholders **unless:**

- (a) (in respect of a Finance Document Request) within seven Business Days; or
- (b) (in respect of any matter other than a Finance Document Request) within 30 clear days,

each of the requisite notice being given by the Issuer, the Note Trustee, the Issuer Cash Manager, the Servicer or the Special Servicer to the Class A Noteholders in accordance with the provisions of Condition 17 (Notice to Class A Noteholders) and in all cases also through the systems of Bloomberg L.P., or in such other manner as may be approved in writing by the Note Trustee, (i) in the case of an Extraordinary Resolution, the holders of 50 per cent. or more in aggregate of the Principal Amount Outstanding of the Class A Notes or (ii) in the case of an Ordinary Resolution, the holders of 50 per cent. or more in aggregate of the Principal Amount Outstanding of the Class A Notes, inform the Note Trustee in the prescribed manner of their objection to such Extraordinary Resolution or Ordinary Resolution, as applicable.

Therefore, it is possible that an Extraordinary Resolution or an Ordinary Resolution could be deemed to be passed without the vote of any Class A Noteholders or even if holders of up to 49.99 per cent. in aggregate of the Principal Amount Outstanding of Class A Notes objected to it.

In addition, Class A Noteholders who do not register their beneficial interest in the Class A Notes with the Servicer may not receive notice of any proposed resolution as early as those Class A Noteholders who do register their beneficial interest in Class A Notes with the Servicer. As a result, there is a greater risk that an Extraordinary Resolution or an Ordinary Resolution could be deemed to be passed without the vote of the Class A Noteholders who may have wished to object to such resolution.

Amendments to certain terms of the Issuer Transaction Documents

The amendment of the Issuer Transaction Documents in certain respects (that constitute a Protected Matter) will be subject to the consent of the Borrower.

As such, notwithstanding that the Class A Noteholders may have passed the required resolution to direct the Issuer, the Note Trustee and/or the Issuer Security Trustee to enact a certain amendment to an Issuer Transaction Document, such amendment will not become effective if the Borrower does not provide its consent to it.

Consent of the Class B Lender required in certain circumstances

The consent of the Class B Lender will be required to certain matters in connection with which the Note Trustee's (or the Class A Noteholders') consent is required (including, without limitation, waiving, modifying or amending the terms of the Issuer Transaction Documents or the Finance Documents (to the extent the Issuer has the ability to do so under those documents)). The Class B Lender will be able to withhold its consent in certain circumstances (please see the section entitled "Description of the Class B Loan Agreement" for further details).

Absence of secondary market; limited liquidity

Application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and to trading on the Main Securities Market.

However, if granted, there can be no assurance that a secondary market in the Class A Notes will develop or, if it does develop, that it will provide the Class A Noteholders with liquidity of investment, or that it will continue for the life of the Class A Notes. Furthermore, credit ratings have not been requested nor assigned to the Class A Notes, including any rating by a nationally recognised rating agency. There can be no assurance that the absence of credit ratings will not adversely affect the development of a secondary market in the Class A Notes. Consequently, any purchaser of the Class A Notes must be prepared to hold such Class A Notes for an indefinite period of time or until final redemption or maturity of such Class A Notes. Lack of liquidity could result in a significant reduction in the market value of the Class A Notes.

In addition, the market value of the Class A Notes may fluctuate with changes in prevailing rates of interest and the performance of the Securitised Loan. Consequently, any sale of Class A Notes by the Class A Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Class A Notes.

The credit crisis and downturn in the real estate market have adversely affected the value of CMBS

The Class A Notes will be affected by market trends which affect CMBS in general. Events over the last few years in the real estate and securitisation markets, and in the debt markets and the economy

generally, have caused significant dislocations, illiquidity and volatility in the markets for CMBS as well as in the wider global financial markets.

The period of declining real estate values, which was coupled with diminished availability of leverage and/or refinancing for commercial real estate resulted in increased delinquencies and defaults on commercial mortgage loans. While real estate values may currently not be declining, there can be no assurance that they will not begin to do so again, or that the historic declines are not continuing to have an effect on the market. In addition, the historic downturn in the general economy affected the financial strength of many commercial real estate tenants and resulted in increased rent delinquencies and increased vacancies. There can be no assurance that there will not be a downturn in the general economy during the life of the Class A Notes. Any renewed downturn may lead to increased vacancies, decreased rents or other declines in income from, or the value of, commercial real estate, which would likely have an adverse effect on CMBS that are backed by mortgages on such commercial real estate. There can be no assurance that the historic dislocation in the CMBS market will not continue to affect market perceptions of CMBS generally or that it will not occur again (in the same or a more severe manner). Even if there is no continuing or renewed dislocation in the CMBS market, the Properties may nevertheless decline in value. The market value of the Class A Notes and/or liquidity in the secondary market may be adversely affected by market perceptions of CMBS generally.

The ability of the Borrower to make payments when due on the Mall Loan will depend on the rental value and occupancy rates of the Properties which are also subject to local economic factors. Any economic downturn may adversely affect the financial resources of the Borrower and may result in the inability of the Borrower to make principal and interest payments on, or refinance, the Mall Loan when due. In the event of default by the Borrower under the Mall Loan, the Issuer may suffer a partial or total loss with respect to the Securitised Loan. Materially increased levels of delinquency or loss on the related Properties would have an adverse effect on the payments of principal, interest and other amounts received by holders of the Class A Notes.

In addition to credit factors directly affecting CMBS, the continuing fallout from a downturn in the markets for other asset backed and structured products also affected the CMBS market by contributing to a decline in the market value and liquidity of securitised investments such as CMBS. The deterioration of other structured products markets may continue to adversely affect the value of CMBS. Even if CMBS are performing as anticipated, the value of such CMBS in the secondary market may nevertheless decline as a result of deterioration in general market conditions or in the market for other asset backed or structured products.

The effects of a volatile economy and repeat of credit crisis era market conditions may lead to an increase in loan defaults and may affect the value and liquidity of the Class A Notes

The global economy recently experienced a significant credit crisis and some economies continue to experience on-going volatility. On-going disruption in the credit markets, including the generally depressed level of investor demand (as compared to the level of investor demand prior to the credit crisis) for CMBS and other asset-backed securities and structured financial products is still continuing. While as of the date of this Offering Circular the United Kingdom economy may not be in recession, conditions continue to be unpredictable and economic growth may not be sustainable for any specific period of time. As described below under “Considerations relating to the Properties – Risks relating to tenants and leases” a material worsening in economic conditions in the locations in which the Properties are situated could increase tenant defaults at the Properties thereby adversely affecting the amounts received by the Borrower and therefore potentially adversely affecting the amounts received by the Issuer under the Securitised Loan and consequently the amounts paid to the Class A Noteholders.

During the credit crisis, the lack of credit liquidity, decreases in both the sale and rental value of commercial properties, lower occupancy rates and, in some instances, correspondingly higher lending rates prevented many commercial mortgage borrowers from refinancing their loans. There can be no assurance that such circumstances are not continuing or will not again arise. Such circumstances increased delinquency and default rates of securitised commercial mortgage loans, and have, and may continue to, lead to widespread commercial mortgage defaults. In addition, the historic declines in real estate values have resulted in reduced borrower equity, hindering the ability of borrowers to refinance in an environment of increasingly restrictive lending standards and giving them less incentive to cure delinquencies and avoid enforcement. Higher loan-to-value ratios are likely to result in a lower percentage of recoveries on enforcement, and an increase in loss severities above those that would have been realised had property values remained the same or continued to increase. Defaults, delinquencies and losses contributed to further decreased property values, thereby resulting in additional defaults by commercial mortgage borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of CMBS.

Many commercial mortgage lenders have tightened their loan underwriting standards which has reduced the availability of mortgage credit to prospective borrowers. These developments have contributed and may continue to contribute to a weakening in the commercial real estate market as these adjustments have, among other things, inhibited refinancing and reduced the number of potential buyers of commercial real estate. The continued use or further adjustment of these loan underwriting standards may contribute to further increases in delinquencies and losses on commercial mortgage loans generally.

The global markets have seen an increase in volatility due to uncertainty surrounding the level and sustainability of sovereign debt of certain countries in the Eurozone, including Greece, Cyprus, Spain, France, Portugal, Ireland and Italy, as well as the sustainability of the euro itself. There can be no assurance that this uncertainty will not lead to further disruption of the credit markets in Europe. In addition, recently-enacted (and future) financial reform legislation in Europe could adversely affect the availability of credit for commercial real estate.

Investors should consider that general conditions in the areas where the Properties are located may adversely affect the performance of the Securitised Loan and accordingly the performance of the Class A Notes and the general availability of commercial real estate financing will directly affect the ability of the Obligor to repay the Securitised Loan on or prior to maturity. In addition, in connection with all the circumstances described above, investors should be aware in particular that:

- (a) such circumstances may result in substantial delinquencies and defaults on the Mall Loan and adversely affect recoveries and/or disposal proceeds (whether recovered through formal proceedings or a consensual process);
- (b) the value of the Properties may decline and such declines may be substantial and may occur in a relatively short period following the issuance of the Class A Notes, directly affecting the ability of the Borrower to realise value by selling the Properties and its ability to refinance the Mall Loan. Such declines may or may not occur for reasons largely unrelated to the circumstances of any particular Property;
- (c) if a Class A Noteholder decides to sell its Class A Notes, it may be unable to do so or may be able to do so only at a substantial discount from the price originally paid; this may be the case for reasons unrelated to the then current performance of the Class A Notes or the Securitised Loan; and this may be the case within a relatively short period following the issuance of the Class A Notes;
- (d) if the Mall Loan defaults, then the return on the Class A Notes may be substantially reduced notwithstanding that Liquidation Proceeds may be sufficient to result in the repayment of the

principal of and accrued interest on the Class A Notes. An earlier than anticipated repayment of principal (even in the absence of losses) in the event of a default in advance of the maturity date would tend to shorten the weighted average period during which interest is earned on the Class A Noteholders' investments and if Class A Notes are purchased at a premium then in such case, the actual yield to maturity on Class A Notes may be lower than assumed at the time of the purchase. A later than anticipated repayment of principal (even in the absence of losses) in the event of a default upon the maturity date would tend to delay the receipt of principal and the interest on the Class A Notes may be insufficient to compensate the Class A Noteholders for that delay and if Class A Notes are purchased at a discount then in such case the actual yield to maturity on Class A Notes may be lower than assumed at the time of the purchase;

- (e) even if Liquidation Proceeds received in respect of the Securitised Loan are sufficient to cover the principal and accrued interest on the same, the Issuer may experience costs or losses in the form of special servicing fees and other expenses, and the Class A Noteholders may bear losses as a result of such additional fees and other expenses the Issuer has to bear, and their return may be adversely affected by any such losses;
- (f) the time periods within which the Mall Loan will be repaid following the occurrence of a default may be considerable, and those periods may be further extended because of the insolvency of an Obligor and related litigation; and
- (g) even if the Class A Noteholders intend to hold their Class A Notes to maturity, depending on the circumstances of particular Class A Noteholders, Class A Noteholders may be required to report declines in the value of their holdings in the Class A Notes, and/or record losses, on their financial statements or regulatory or supervisory reports, and/or repay or post additional collateral for any secured financing, hedging arrangements or other financial transactions that they have entered into that are backed by or make reference to the Class A Notes, in each case as if the Class A Notes were to be sold immediately.

Related parties may purchase Class A Notes or Class B Loan

Related parties, including the Servicer or the Special Servicer, if applicable, or any Obligor (or any of their respective Affiliates) may purchase all or part of the Class A Notes and/or all of the Class B Loan. A purchase by the Servicer or the Special Servicer, if applicable, could cause a conflict of interest between such entity's duties pursuant to the Servicing Agreement and its interest as a holder of a Class A Note and/or a lender under the Class B Loan, especially to the extent that certain actions or events have a disproportionate effect on the Class A Notes and/or the Class B Loan, as applicable. The Servicing Agreement provides that each Securitised Loan is required to be administered in accordance with the Servicing Standard without regard to ownership of any Note by the Servicer or the Special Servicer, if applicable, or any Affiliate thereof.

If any Obligor (or any of their respective Affiliates) or the Issuer (or any of its Affiliates) became a Class A Noteholder, such Obligor (or any of their respective Affiliates) or the Issuer (or any of its Affiliates) would be a Disenfranchised Holder in accordance with Condition 13.4 (Disenfranchised Holder), and as a result would not be permitted to exercise any voting, objecting or directing rights attaching to any Class A Notes (or be counted in or towards any required quorum or majority).

Definitive Class A Notes and denominations in integral multiples

The Class A Notes have a denomination consisting of a minimum authorised denomination of £100,000 plus higher integral multiples of £1,000.

Accordingly, it is possible that the Class A Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if definitive Class A Notes are required to be issued, a Class A Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a definitive Note in respect of such holding and may need to purchase a principal amount of Class A Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

If definitive Class A Notes are issued, the Class A Noteholders should be aware that definitive Class A Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

The effect on repayment of the Class A Notes in the event that the U.K. becomes a participating member state in the European Economic and Monetary Union is uncertain

It is possible that, prior to the repayment in full of the Securitised Loan and the Class A Notes, the United Kingdom may become a participating member state in the European Economic and Monetary Union and that the euro will become the lawful currency of the United Kingdom. In that event: (a) all amounts payable in respect of any Class A Notes may become payable in euro; (b) applicable provisions of law may allow or require the Issuer to re-denominate such Class A Notes into euro and take additional measures in respect of such Class A Notes; and (c) the introduction of the euro as the lawful currency of the United Kingdom may result in the disappearance of published or displayed rates for deposits in sterling used to determine the interest rate on the Class A Notes or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the euro could also be accompanied by a volatile interest rate environment which could adversely affect the Class A Noteholders. It cannot be said with certainty what effect the adoption of the euro by the United Kingdom (if it were to occur) would have on the Class A Noteholders.

No liquidity facility

The Issuer does not have the benefit of a liquidity facility. Therefore, in the event that tenants of the Properties fail to pay rent after any applicable grace period or there is a delay or failure to pay by the Borrower under the Mall Facility Agreement (or the other Obligors pursuant to the Mall Facility Agreement), the Issuer may be unable to meet its payment obligations under the Class A Notes as they fall due.

Absence of ratings

In contrast to many comparable commercial mortgage backed securitisations, the Class A Notes will not be rated by any rating agency. This may reduce the number of potential investors in the Class A Notes and may affect the price and/or liquidity of the Class A Notes in the secondary market.

Notwithstanding this, it is possible that credit rating agencies could seek to rate the Class A Notes without having been requested to do so by the Issuer. Such unsolicited ratings could have an adverse effect on the value of the Class A Notes.

B. CONSIDERATIONS RELATING TO TAX

Withholding under the EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), member states are required to provide to the tax authorities of other member states details of certain payments of interest or similar income paid or secured by a person established in a member state to or for the benefit of an individual resident in another member state or certain limited types of entities established in another member state.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member states are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a member state must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those member states which still operate a withholding system when they are implemented. Luxembourg has abolished the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures.

If a payment were to be made or collected through a member state which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a member state that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

EU financial transaction tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission's Proposal**), for a financial transaction tax (**FTT**) to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's Proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT would apply to persons both within and outside of the participating member states. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating member state. A financial institution may be, or be deemed to be, "established" in a participating member state in a broad range of circumstances, including (i) by transacting with a person established in a participating member state

or (ii) where the financial instrument which is subject to the financial transaction is issued in a participating member state.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including the purchases or sales of certain securities (such as certain authorised investments)) if it is adopted based on the Commission's Proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Class A Notes and may result in investors receiving less interest or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of the Class A Noteholders and other secured creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Class A Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal.

Recent statements made by ten of the eleven participating member states indicate that a progressive implementation is being considered and that the FTT may initially extend to transactions involving shares and certain derivatives, with this initial implementation occurring by 1 January 2016. However, full details are not available and further changes could be made prior to adoption.

The FTT proposal remains subject to negotiation between the participating member states. It may therefore be altered prior to any implementation. Additional EU member states may decide to participate. Prospective holders of the Class A Notes are advised to seek their own professional advice in relation to the FTT.

U.K. taxation position of the Issuer

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as introduced by the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (the **Securitisation Regulations**)), and as such should be taxed only on the amount of its "retained profit" (as that term is defined in the Securitisation Regulations), for so long as it satisfies the conditions of the Securitisation Regulations. However, if the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Regulations (or subsequently does not), then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows for the transaction described in this Offering Circular and as such adversely affect the tax treatment of the Issuer and consequently payment on the Class A Notes.

Withholding tax under the Class A Notes

In the event that any withholding or deduction for or on account of any taxes is imposed in respect of payments to the Class A Noteholders of any amounts due under the Class A Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Class A Noteholders for the lesser amounts the Class A Noteholders will receive as a result of such withholding or deduction. However, in such circumstances, the Issuer may in certain circumstances, in accordance with Condition 7.3 (Optional redemption for tax and other reasons) of the Class A Notes, redeem all (but not some only) of the Class A Notes.

As of the date of this Offering Circular, no withholding or deduction for or on account of U.K. tax will be required on interest payments to any holders of the Class A Notes, provided that the Class A Notes continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange. The Class A Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Irish

Stock Exchange. Provided, therefore, that the Class A Notes remain so listed, interest on the Class A Notes will be payable without withholding or deduction on account of United Kingdom tax. The applicability of any withholding or deduction for or on account of United Kingdom tax on payments of interest is discussed further under the section entitled “United Kingdom Taxation”.

Foreign Account Tax Compliance Act withholding may affect payments on the Class A Notes

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**) impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States; (ii) “foreign passthru payments” made to certain non-U.S. financial institutions that do not comply with this new reporting regime; and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. While the Class A Notes are in global form and held within the Clearing Systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the Clearing Systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It may also affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer’s obligations under the Class A Notes are discharged once it has paid the common depository for the Clearing Systems (as registered holder of the Class A Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Clearing Systems and custodians or intermediaries. Prospective investors should refer to the section entitled “Foreign Account Tax Compliance Act”.

C. CONSIDERATIONS RELATING TO REGULATORY AND LEGAL ISSUES

Regulatory initiatives may have an adverse impact on the regulatory treatment of the Class A Notes

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors and the general regulatory position for certain investors, in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Class A Notes are responsible for analysing their own regulatory position and none of the Issuer, the Issuer Security Trustee, the Note Trustee, the Agents, the Account Bank, the Issuer Cash Manager, the Lead Manager, the Arranger, the Original Lender or the Securitised Loan Seller makes any representation to any prospective investor or purchaser of the Class A Notes regarding the regulatory treatment of their investment on the Closing Date or at any time in the future.

In particular, investors should note that the Basel Committee approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as **Basel III**) and has proposed certain revisions to the securitisation framework.

Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio “backstop” for financial institutions and certain minimum liquidity standards (referred to as the liquidity coverage ratio and the net stable funding ratio).

Basel Committee member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the liquidity coverage ratio requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the net stable funding ratio requirements refer to implementation from January 2018).

As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (e.g. as liquidity coverage ration eligible assets or not) may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements are coming for insurance and reinsurance undertakings through national initiatives, such as the Solvency II framework in Europe.

In addition, investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the Class A Notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Class A Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Class A Notes. With respect to the commitment of the Original Lender to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer or another relevant party (or, after the Closing Date, by the Servicer or the Issuer Cash Manager on the Issuer's behalf), please see the statements set out in the sections entitled "Key terms of the servicing arrangements for the Securitised Loan", "Cash Management" and "Regulatory Disclosure".

Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Original Lender, the Securitised Loan Seller, the Lead Manager, nor the Arranger makes any representation that the information described above is sufficient in all circumstances for such purposes.

The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Class A Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Class A Notes in the secondary market.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Class A Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Class A Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Class A Notes in the secondary market.

Changes of law

The structure of the issue of the Class A Notes is based on English law and various regulatory, tax, accounting and administrative practices in effect as at the date of this Offering Circular.

No assurance can be given as to the impact of any possible change to law (including any change in regulation which may occur without a change in primary legislation), or the regulatory, accounting or administrative practice, or the interpretation or administration thereof, or the practices of the United Kingdom tax authorities or the tax authorities of any other relevant taxing jurisdiction, after the date of this Offering Circular 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 Class A Notes or adversely affect the business and operations of the Issuer Related Parties and the ability of the Issuer Related Parties to perform their respective obligations under the Issuer Transaction Documents. Any changes to the accounting practices of any person may also have an effect on the tax treatment of that person.

In particular, the Issuer's ability to make (and the Class A Noteholders' entitlement to receive) payments on the Class A Notes is therefore subject to the risk that tax law or the application of such law in any relevant jurisdiction may change and could adversely be affected by any such change.

Not a bank deposit

Any investment in the Class A 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 Central Bank of Ireland or otherwise guaranteed by any other government guarantee scheme. The Issuer is not regulated by the Central Bank of Ireland by virtue of the issue of the Class A Notes.

No regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of Class A Notes.

D. CONSIDERATIONS RELATING TO THE MALL LOAN AND THE MALL LOAN SECURITY

Late payment or non-payment of rent

There is a risk that sufficient rental payments will not be received in respect of the Properties on or before the relevant Mall Loan Payment Date.

If a significant number of tenants' rental payments are not received prior to the immediately following Mall Loan Payment Date and any resultant shortfall is not otherwise compensated for from other resources, there may be insufficient cash available to the Borrower to make payments to the Issuer under the Securitised Loan. This will result in reduced amounts being available to the Issuer to make payments on the Class A Notes. This may cause a Class A Note Event of Default unless the Issuer has or obtains other resources. However, no assurance can be given that such resources will be available or sufficient to cover any shortfalls in amounts available to the Issuer to make payments on the Class A Notes.

Prepayment of the Securitised Loan

The Borrower may be obliged or may choose, in certain circumstances, to prepay the Securitised Loan in whole or in part prior to the Mall Loan Termination Date.

These circumstances include, but are not limited to, illegality (in certain circumstances), change of control of certain entities, disposal of a Property, compulsory purchase of a Property or part of a Property and the receipt of certain insurance proceeds. These circumstances are described in more detail in the section entitled "Description of the Mall Facility Agreement".

These events may be beyond the control of the Borrower and are beyond the control of the Issuer. Any such prepayment may result in the Class A Notes being prepaid earlier than anticipated. Refer to the risk factor above entitled "Considerations relating to yield and prepayments" and the section entitled "Yield, prepayment and maturity considerations of the Class A Notes" for further details.

In addition, the Mall Facility Agreement provides that the mandatory and voluntary prepayments made by the Borrower must generally be applied in prepayment of the Floating Rate Mall Loan prior to being applied in prepayment of the Fixed Rate Mall Loan (and therefore the Securitised Loan). However, in the event there are insufficient funds to make payments due by the Obligors under the Finance Documents and, as a result, payments are applied towards the obligations of the Obligors under the Finance Documents in the order set out in the partial payments provision of the Mall Facility Agreement (see the section entitled "Partial payments" within the section entitled "Description of the Mall Facility Agreement" for further details), any principal due under the Fixed Rate Mall Loan and the Floating Rate Mall Loan will be paid *pro rata*.

Notwithstanding this, given that in certain situations mandatory and voluntary prepayments (including, without limitation, Disposal Proceeds) are first applied in prepayment of the Floating Rate Mall Loan, a situation could arise where an adverse event (whether in respect of property values or generally in relation to the Obligors) could have a disproportionate negative impact on the Fixed Rate Mall Loan as compared to the Floating Rate Mall Loan. The risk of such a situation arising increases with time and with each additional prepayment made on the Floating Rate Mall Loan (and not on the Fixed Rate Mall Loan). If such a situation did arise, the Borrower may not have sufficient funds to repay the Fixed Rate Mall Loan (and therefore, repay the Securitised Loan to the Issuer), which means that that the Issuer may not having sufficient funds to redeem the Class A Notes.

Refinancing risk

The Mall Loan may have a substantial remaining principal balance as at its scheduled maturity date (by the Mall Loan Termination Date).

Unless previously repaid, the Mall Loan will be required to be repaid by the Borrower in full on the Mall Loan Termination Date.

The ability of the Borrower to repay the Mall Loan in its entirety on the Mall Loan Termination Date will depend, among other things, upon its having sufficient available cash or equity and upon its ability to find a lender willing to lend to the Borrower (secured against some or all of the relevant Properties) sufficient funds to enable repayment of the Mall Loan. Such lenders will generally include banks, insurance companies and finance companies. The availability of funds in the credit market fluctuates and during the credit crisis there was an acute shortage of credit to refinance loans such as the Mall Loan. In addition, the availability of assets similar to the Properties, and competition for available credit, may have a significant adverse effect on the ability of potential purchasers to obtain financing for the acquisition of the Properties. There can be no assurance that the Borrower will be able to refinance the Mall Loan prior to the Final Maturity Date.

If the Borrower cannot refinance the Mall Loan, it may be required to sell some or all of the Properties in the then current market conditions in order to repay the Mall Loan. Failure by the Borrower to refinance the Mall Loan or to sell the Properties on or prior to the Mall Loan Termination Date may result in the Borrower defaulting on the Mall Loan and in its insolvency. See also “Considerations relating to the insolvency of the Obligors”. In the event of such a default or insolvency, the Class A Noteholders may receive by way of principal repayment an amount less than the then Principal Amount Outstanding on their Class A Notes and the Issuer may be unable to pay in full interest and other amounts due on the Class A Notes.

Security over bank accounts

The Borrower has, in accordance with the terms of the Mall Facility Agreement, established a number of bank accounts into which, among other things, (indirectly or directly) rental income and disposal proceeds in respect of the relevant Properties must be paid (as to which, see the section entitled “Description of the Mall Facility Agreement”). The Borrower has, pursuant to the terms of the relevant Mall Loan Security Document granted security over all of its interests in its relevant accounts, which security is, expressed to be a first fixed charge. Furthermore, under the Issuer Deed of Charge, the Issuer will grant security over all of its bank accounts, which security will also be expressed to be fixed security.

Although the various bank accounts are stated to be subject to various degrees of control (for example, the Mall Facility Agreement provides that the Mall Loan Security Agent is to have sole signing rights over the Cash Management Account, Prepayment Account, Disposals Account, Cash Trap Account, Equity Cure Account and the Property Substitution Deposit Account), there is a risk that, if the Mall Loan Facility Agent, the Mall Loan Security Agent or the Issuer Security Trustee (as appropriate) do not exercise the requisite degree of control over the relevant accounts in practice, a court could determine that the security interests granted in respect of those accounts take effect as floating security interests only and that the security interests granted over the assets from which the monies paid into the accounts are derived also take effect as floating security interests only, notwithstanding that the security interests are expressed to be fixed. In such circumstances, monies paid into accounts or derived from those assets could be diverted to pay preferential creditors and certain other liabilities were a receiver, liquidator or administrator to be appointed in respect of the relevant company in whose name the account is held.

Limited payment history

The Mall Loan was partially advanced on 30 May 2014, with the remainder advanced on 5 November 2014. As such, the Mall Loan does not have a substantial payment history on the date of this Offering Circular upon to which to base assumptions about future performance of the Borrower.

English law security and insolvency considerations

The Issuer will enter into the Issuer Deed of Charge pursuant to which it will grant the Issuer Security in respect of certain of its obligations, including its obligations under the Class A Notes. Similarly, the Obligors have entered into various Mall Loan Security Documents pursuant to which each Obligor granted certain security in respect of certain of its obligations, including its obligations under the Mall Facility Agreement (as to which, see “The key characteristics of the Mall Loan Security”).

In certain circumstances, including the occurrence of certain insolvency events in respect of the Issuer or an Obligor, the ability to realise the Issuer Security and/or the relevant Mall Loan Security, respectively, may be delayed and/or the value of the relevant security impaired. While the transaction structure is designed to minimise the likelihood of the Issuer or (by limiting their ability to incur financial indebtedness and limiting their business activities) any of the Obligors becoming insolvent, there can be no assurance that the Issuer and/or one or more of the Obligors will not become insolvent and/or the subject of insolvency proceedings and/or that the Class A Noteholders would not be adversely affected by the application of insolvency laws (including English insolvency laws).

In addition, it should be noted that, to the extent that the assets of the Issuer or any Obligor are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of section 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Issuer Deed of Charge/relevant Mall Loan Security Document may be used to satisfy any claims of unsecured creditors. While certain of the covenants given by the Issuer and the Obligors in the Issuer Transaction Documents/Finance Documents, respectively, are intended to ensure it has no significant creditors other than the secured creditors under the Issuer Deed of Charge/Mall Loan Security Documents, it will be a matter of fact as to whether the Issuer/relevant company has any other such creditors at any time. There can be no assurance that the Class A Noteholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Issuer Security/Mall Loan Security.

Liquidation expenses

On 6 April 2008, a provision in the Insolvency Act 1986 came into force which effectively reversed by statute the House of Lords’ decision in the case of *Leyland Daf* in 2004. Accordingly, the costs and expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to provisions set out in the Insolvency Rules 1986.

As a result of the changes described above, upon the enforcement of the floating charge security granted by the Issuer and/or each Obligor, respectively, floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Issuer Deed of Charge/relevant Mall Loan Security Document will be reduced by at least a significant proportion of any liquidation expenses. There can be no assurance that the Class A Noteholders will not be adversely affected by such a reduction in floating charge realisations.

Risks relating to representations and warranties of the Obligors under the Mall Facility Agreement

Representations and warranties given by the Borrower/an Obligor under the Mall Facility Agreement are to some extent qualified by the actual knowledge of the Borrower/the Obligor giving such representation or warranty. While reliance on representations and warranties is only commercially possible to the extent that the Borrower/the Obligor is actually able to indemnify the recipient of such representations and warranties, so that a representation already in and as of itself only offers limited protection commercially, representations and warranties which are qualified by the actual knowledge further reduce the ability of a recipient to rely on the absence of the corresponding risks because the recipient would need to provide evidence of the Borrower's/Obligor's actual knowledge of the relevant risk represented which might be difficult if not impossible to demonstrate successfully in practice.

Risks relating to special purpose covenants of the Borrower/Obligors

Special purpose entity covenants are generally designed to limit the purpose of the borrowing entity to owning the related property, making payments on the related loan and taking such other actions as may be necessary to carry out the foregoing in order to reduce the risk that circumstances unrelated to the loan and related property result in borrower insolvency. Special purpose entities are generally used in commercial loan transactions to satisfy requirements of institutional lenders and recognised credit rating agencies. In order to minimise the possibility that special purpose entities will be the subject of insolvency proceedings, provisions are generally contained in the borrower's documentation relating to the loan which, among other things, limit the indebtedness that can be incurred by such entities and restrict such entities from conducting business as an operating company generally (thus limiting exposure to outside creditors).

The Mall Facility Agreement contains provisions that require the Borrower to conduct itself in accordance with certain special purpose entity covenants. Although there is no covenant preventing the Borrower from having any employees, on the first day of each Mall Loan Interest Period, it represents that it does not have any employees and that it has not had any employees. However, there can be no assurance that all or most of the special purpose entity covenants will be complied with by the Borrower (however, a breach of representation would, in certain circumstances, lead to a Mall Loan Event of Default) and even if all or most of such restrictions have been complied with by the Borrower there can be no assurance that the Borrower will not nonetheless become insolvent. The Borrower has undertaken not to carry on any business other than the ownership of other Obligors.

An insolvency of the Borrower would result in a Mall Loan Event of Default with respect to the Mall Loan which may give rise to an acceleration of the Mall Loan and an enforcement of the Mall Loan Security. This could result in significant delays in the receipt by the Issuer of payments under the Securitised Loan which could adversely affect its ability to make all payments due on the Class A Notes.

Limitations of representations and warranties given by the Securitised Loan Seller

Neither the Issuer nor the Issuer Security Trustee has undertaken or will undertake any investigations, searches or other actions as to any Obligor's status, and each will rely instead solely on the warranties given by the Securitised Loan Seller in respect of such matters in the Securitised Loan Sale Agreement (see further "Description of the Securitised Loan Sale Documents"). In the event of a Material Breach of Securitised Loan Warranty, the Securitised Loan Seller would be required to indemnify the Issuer, or alternatively, the Securitised Loan Seller would be entitled to repurchase the Securitised Loan.

The Mall Loan Security is shared between the Issuer and the Original Lender (and any of its assignees or transferees)

The Mall Loan Security has been granted in respect of the Mall Loan. As the Issuer will only be a lender under the Securitised Loan, it will only be entitled to the enforcement proceeds of the Mall Loan Security that pertain to the Securitised Loan (i.e. 58.33 per cent. as at the date of this Offering Circular). The Original Lender (or any of its assignees or transferees) will be entitled to the remaining 41.67 per cent. (as at the date of this Offering Circular). Similarly, every payment of principal and interest made under the Mall Loan to the lenders in their capacity as such will be distributed between the Issuer and the Original Lender (or any of its assignees or transferees) in the same proportion (apart from certain prepayments which will first be applied to the Floating Rate Mall Loan and then to the Fixed Rate Mall Loan (and therefore to the Securitised Loan)). The percentages referred to above are current as the date of this Offering Circular. Such percentages will change as the principal amount outstanding under the Floating Rate Mall Loan and the Fixed Rate Mall Loan (including the Securitised Loan) changes.

Mall Loan Security enforcement

In the event of acceleration of the Mall Loan, recourse will be available only to the Mall Loan Security (as it relates to the Securitised Loan). Enforcement under the Mall Loan Security Documents may not result in immediate realisation of the Mall Loan Security Property and a significant delay could be experienced in recovery by the Mall Loan Security Agent of, amongst other things, amounts owed under the Mall Loan (in particular, please see “English law security and insolvency considerations”).

There can be no assurance that:

- (a) the Mall Loan Security Agent would recover all amounts secured upon enforcement of the Mall Loan Security; and
- (b) the Mall Loan Security Agent would act in accordance with the instructions of the Special Servicer (on behalf of the Issuer) in respect of the method of enforcement under the Mall Loan Security Documents – this will depend on whether the Issuer’s Commitment as a percentage of the Total Commitments is sufficient to instruct the Mall Loan Security Agent.

Accordingly, sufficient funds may not be realised or available to make all required payments to the Issuer under the Securitised Loan and, accordingly, the Issuer may not have sufficient funds available to make all required payments to the Class A Noteholders and other Issuer Secured Creditors.

Unanimous lender consent required for certain matters under the Mall Facility Agreement

Certain amendments, waivers or consents in respect of the Finance Documents require the consent of all the Lenders to be made or given (see the section entitled “Amendments and waivers” within the section entitled “Description of the Mall Facility Agreement” for further details).

Accordingly, notwithstanding that the Servicer or Special Servicer may wish to agree to an amendment, waiver or consent in respect of the Finance Document, such amendment waiver or consent will not be made or given unless all of the Lenders under the Mall Facility Agreement have approved it (subject to the “snooze you lose” provisions of the Mall Facility Agreement – see the section entitled “Amendments and waivers” within the section entitled “Description of the Mall Facility Agreement” for further details).

Majority Lender consent required for certain matters under the Mall Facility Agreement – the Issuer may not at all times be the Majority Lender

Any term of the Finance Documents can be amended or waived with the consent of the Majority Lenders unless the amendment or waiver is an all Lender matter (see “Unanimous lender consent required for certain matters under the Mall Facility Agreement” above) or relates to the rights or obligations of the Mall Loan Facility Agent, Mall Loan Security Agent or the Mall Loan Arranger.

There can be no guarantee that the Issuer will be the Majority Lender at any time during the term of the Class A Notes. If the Issuer is at any time not the Majority Lender, it will only be able to refuse to grant consent in all Lender decisions and will not be able to control any Majority Lender decisions. This means that amendments and waivers in respect of the Finance Documents will be able to be approved without the Issuer’s consent.

Servicer/Special Servicer discretion to agree to amendments, waivers and/or consents under the Finance Documents

The Servicer or the Special Servicer, as applicable, will have a discretion to approve, on behalf of the Issuer as Lender under the Mall Facility Agreement, requests for amendments, waivers or consents from the Mall Loan Facility Agent under the Finance Documents. The Servicer or the Special Servicer, as applicable, will not have discretion to determine whether to approve a request for an amendment, waiver or consent under the Finance Documents which constitutes a Major Development Consent Request or a Basic Terms Modification (including a Reserved Matter). Such requests will only be approved if approved by the Class A Noteholders by an Extraordinary Resolution (or an Ordinary Resolution in respect of a Major Development Consent Request), and by the Class B Lender (the Class B Lender will be able to withhold its consent in certain circumstances as further described in the “Description of the Class B Loan Agreement” section of this Offering Circular). Accordingly, any other amendments can be made, and any other waivers and consents can be granted, under the Finance Documents without the involvement of the Class A Noteholders. See the section entitled “Key terms of the servicing arrangements for the Securitised Loan” for further details.

In addition, in contrast to comparable commercial mortgage backed securitisations, there is no “operating advisor” or “controlling class”. Accordingly, there is no requirement for the Servicer or the Special Servicer, as applicable, to consult with any Class A Noteholder prior to exercising its discretion in approving or rejecting a request for an amendment, waiver or consent in respect of the Finance Documents (save as provided in respect of a Major Development Consent Request or a Basic Terms Modification (including a Reserved Matter)).

Hedging

The Floating Rate Mall Loan has the benefit of the Interest Rate Cap Transaction. Funds received under the Interest Rate Cap Transaction are used to make payments on both the Floating Rate Mall Loan and the Fixed Rate Mall Loan. Accordingly, there is a risk that, if the Floating Rate Mall Loan is under-hedged, the Borrower may not have sufficient funds to make all required payments to the Issuer under the Securitised Loan and, accordingly, the Issuer may not have sufficient funds available to make all required payments to the Class A Noteholders and the other Issuer Secured Creditors.

E. CONSIDERATIONS RELATING TO THE INSOLVENCY OF THE OBLIGORS

Risks relating to the Obligors

The Obligors – which have been established under the laws of England or Jersey – are subject to the provisions of English or Jersey, as applicable, insolvency law *provided that* their Centre of Main Interests is in England or Jersey respectively. Pursuant to the Mall Facility Agreement, each Obligor represents that its Centre of Main Interests is situated in its jurisdiction of incorporation. Although the Obligors have been established as limited purpose entities they may, nonetheless, become insolvent and subject to insolvency proceedings under English or Jersey law, as applicable.

The Mall Loan Facility Agent or the Mall Loan Security Agent (as the case may be) will have certain rights under the Mall Facility Agreement if any of the Obligors become insolvent and subject to insolvency proceedings, including certain rights to accelerate the Mall Loan and enforce the Mall Loan Security. However, the rights of creditors of an insolvent English or Jersey company are limited by law. There is no moratorium for secured creditors in Jersey. There are usual set aside risks in relation to reviewable transactions in Jersey such as transactions at an undervalue, preferences and extortionate credit transactions.

In the event that the Securitised Loan is not repaid in full following the enforcement of the Securitised Loan and the related Mall Loan Security, the Issuer may not have sufficient resources to satisfy in full its obligations under the Class A Notes.

Limitation of recoverability of legal fees in enforcement

There can be no assurance that the Issuer will be able to recover legal fees incurred or advanced in connection with the enforcement of the Securitised Loan or the related Mall Loan Security from the Obligors, in particular, to the extent that such legal fees exceed the statutory limits provided by law. There can be no assurance that the legal fees relating to an enforcement of the Securitised Loan or the related Mall Loan Security will fall within the limitation of what can be charged to a debtor under applicable law. Any amounts of legal fees in excess of such limitation could result in a shortfall to amounts that would otherwise be distributed on the Class A Notes.

Risks relating to litigation

There may be pending or threatened legal proceedings against an Obligor and/or their respective Affiliates arising out of the ordinary business of such Obligor.

The Obligors represent on the date of this Offering Circular and will represent again on the Closing Date under the Mall Facility Agreement that no litigation which might be adversely determined and, if adversely determined, would reasonably be expected to have a Material Adverse Effect (as qualified under the Mall Facility Agreement) have (to the best of its knowledge and belief) been started against it.

The Borrower is an English limited partnership

The Limited Partnerships Act 1907 (the **Act**) governs the establishment and operation of limited partnerships in England and Wales. A limited partnership under the Act consists of one or more general partners, who are (in the event that the assets of the partnership are inadequate) liable for all debts and obligations of the partnership, and one or more limited partners. Provided that the limited partnership is registered in accordance with the Act, limited partners are not liable for the debts and obligations of the partnership beyond the amount of their capital contribution, except (i) as specified in the relevant partnership agreement and (ii) as provided in sections 4(3) and 6(1) of the Act (as to

which see below). Limited partnerships registered in England and Wales do not have a legal personality separate from their partners. Nonetheless, a change in any of the limited partners will not constitute the termination or dissolution of the partnership.

Subject to the requirement that a limited partnership must at all times consist of at least one general partner and one limited partner, any limited partner may, subject to the terms of the relevant partnership agreement, retire from the partnership at any time. Further limited partners may only be admitted with the consent of the limited partners and the general partners pursuant to the terms of the relevant partnership agreement. For further details on the Partnership Agreement for the Borrower, see the section of this Offering Circular entitled "The Borrower" below.

Unless released by the other partners and creditors of the partnership, a retiring partner will remain liable for obligations arising under sections 4(3) and 6(1) of the Act. Section 4(3) of the Act provides that a limited partner who either directly or indirectly draws out, or receives back, any part of its capital contribution, becomes liable for the debts and obligations of the partnership up to the amount so drawn out or received back. Section 6(1) of the Act provides that a limited partner who has participated in the management of the partnership business is jointly liable for all debts and obligations of the partnership incurred during the period its participation continues.

A limited partnership may be dissolved in accordance with the provisions of the partnership agreement governing the limited partnership. In addition, under English law, the court may, on the application of any partner and on the satisfaction of certain statutory grounds, order the dissolution of the partnership.

The court may also, under English law, on the petition of a creditor, certain insolvency practitioners, the Secretary of State, a partner or any other person, make an order for the winding-up of a limited partnership and/or in certain circumstances one or more or all, of the partners.

Jersey Obligors

The Jersey Obligors are incorporated under the laws of Jersey. The legal system and market practice concerning security in Jersey may have substantially different features to that in England. Such differences may include:

- (a) limitations and restrictions on taking security, the rights and remedies available to a secured party and the availability of security over certain classes of asset; and
- (b) procedures for enforcement of security and the exercise of remedies by a secured party.

The above differences might potentially be disadvantageous to a secured party when compared to English law.

In relation to the Jersey Obligors, there is a potential risk that third party creditors may commence insolvency proceedings against them in Jersey.

Administration

In certain circumstances an administrator may be appointed in relation to a company the effect of which would be that, during the period for which the order is in force, the affairs, business and property of the company will be managed by the administrator. The appointment may be made:

- (a) by the court, on the application of the company, its directors, any or all of its creditors, or the justices' chief executive for a magistrates court, provided that the court is satisfied that the

company is or is likely to become unable to pay its debts and that the administration order is reasonably likely to achieve the statutory purpose of administrations;

- (b) by the holder of a “qualifying floating charge” (as defined in the Insolvency Act 1986) over the whole or substantially the whole of the company’s property who gives notice of intention to appoint an administrator to any holder of a prior qualifying floating charge and files with the court the appointment in prescribed form (including a statutory declaration that the charge was enforceable on the date of the appointment and a statement by the proposed administrator that he believes the statutory purpose of administration is reasonably likely to be achieved) and such other documents as may be provided; or
- (c) the company or its directors if it or they give notice of intention to appoint an administrator to any person who may be entitled to appoint an administrative receiver or an administrator of the company, such person declines to appoint an administrative receiver or administrator (as the case may be) and the appointment is filed with the court in prescribed form (including a statutory declaration that the company is or is likely to become unable to pay its debts and a statement by the proposed administrator that he believes the statutory purpose of administration is reasonably likely to be achieved) along with such other documents as may be provided.

In addition, in certain circumstances (which are materially similar to those set out above, save that references to the company or its directors should be to members of the partnership) an administrator may be appointed in relation to a partnership, the effect of which would also be that, during the period for which the order is in force, the affairs and business of the partnership and the partnership property shall be managed by the administrator.

An interim “moratorium” on enforcement action against the company or partnership, as the case may be, will come into effect on the filing with the court of the application for making of an administration order by the court or the notice of intention to appoint an administrator out of court, or on the presentation of a petition for an administration order, as the case may be. During the period for which such moratorium is in force, (among other things) no steps may be taken to enforce any security over the property of the company or partnership except with the leave of the court (and subject to such terms as the court may impose). The moratorium remains in force where an administration application has been made and has not yet been granted or dismissed, or has been granted but the order has not yet taken effect, or where a floating charge holder has filed notice of intention to appoint an administrator with the court, until the appointment takes effect or until five business days expire with no administrator having been appointed, or where the directors of or the company (or members of the Borrower) itself have or has filed with the Court notice of intention to appoint an administrator, until the appointment takes effect or until 10 business days expire with no administrator having been appointed.

During the period for which a company or partnership is in administration, (among other things) no steps may be taken to enforce any security over the property of the company or partnership except with the leave of the court (and subject to such terms as the court may impose) or the consent of the administrator.

Accordingly if an application is made or petition is presented for the making of an administration order by the court, or notice is filed with the court of the intention to appoint an administrator, or an administration order is made or an administrator is appointed in respect of the Borrower, the enforcement of the Mall Loan Security by the Mall Loan Security Agent would not be possible unless the leave of the court or the consent of the administrator was obtained, and would in any case be delayed by the need to apply to the court for leave or to the administrator for consent.

Jersey law does not recognise the concept of an administrator, administrative receiver or receiver. Accordingly, whilst a Jersey company is deemed to have capacity under Jersey law to give security governed by foreign law over property situated outside of Jersey, Jersey law prohibits giving security over tangible moveable property situated in Jersey (such as plant and machinery, vehicles, office equipment, computers and other chattels which are the subject of a fixed charge under the English Security Agreements), other than by pledge, and requires compliance with Jersey law for the creation of a security interest over intangible moveable property situated in Jersey or immovable property situate in Jersey. The courts of Jersey are unlikely to recognise powers of any receiver, administrative receiver or administrator appointed in respect of Jersey-situs assets.

F. CONSIDERATIONS RELATING TO THE PROPERTIES

Legal title to the Properties

The legal interests in the Properties have been secured by first ranking legal mortgages granted over the Properties. The beneficial interests in the Properties have been secured by the Mall Loan Security.

Due diligence in relation to the Properties

As at the date of this Offering Circular, the Portfolio comprises six properties in England and Wales. There are two freehold properties (the Maidstone Property and the Wood Green Property), two leasehold properties (the Walthamstow Property and the Blackburn Property) and two properties (the Camberley Property and the Luton Property) which are part freehold and part leasehold.

The summary of the Property Reports disclosed, *inter alia*, the following matters of which prospective Class A Noteholders should be aware:

In relation to the Properties generally:

(a) Stamp Duty:

The Tax and Structure Opinion identifies a potential stamp duty liability of £5,436,000 in respect of the Walthamstow Property and the Wood Green Property. However, stamp duty is only chargeable on instruments rather than transactions and therefore, the Tax and Structure Opinion recommends that the current ownership structures (for the Walthamstow Property and the Wood Green Property) be maintained, to avoid the need for any documentation appointing new trustees (to replace the original sellers of the Properties) which could attract the potential stamp duty liability.

(b) Rent:

The ground rents payable under the headleases at the Walthamstow Property and the Blackburn Property, and parts of the Camberley Property and the Luton Property, are calculated (in whole or in part) by reference to the net income received from the Occupational Leases at the relevant Property. The rent payable under the headleases for each of these Properties is therefore not certain from year to year, but increases should reflect increased income received from the Occupational Leases. However, the Luton Property headlease incorporates a minimum ground rent and the Walthamstow Property headlease disregards vacant units in the calculation of the headlease rent. This means that, in relation to these two Properties, reductions in income from Occupational Leases may not result in reductions in the headlease rents payable.

(c) Forfeiture and mortgagee cure rights:

Each headlease contains the usual right for the landlord to forfeit on breach of tenant covenant or non-payment of rent (subject to possible relief from forfeiture) but none allow forfeiture as a result of tenant insolvency. A mortgagee has the right to apply for relief from forfeiture at the court's discretion and:

- (i) The landlords under the Walthamstow Property headlease and Luton Property headlease have signed cure rights letters affording the Mall Loan Security Agent a cure period before they are entitled to forfeit the leases.

- (ii) The landlord under the Camberley Property headlease signed a cure rights letter affording the Mall Loan Security Agent a cure period before they are entitled to forfeit the lease, and also agreeing to provide the Mall Loan Security Agent with notice before the landlord serves any notice to initiate the refurbishment scheme commented on at subparagraph (f) below.
- (iii) The landlord under the Blackburn Property headlease has signed a letter confirming that it will give notice to the Mall Loan Security Agent of any intended forfeiture action.

(d) Arrears and vacancy:

Total arrears for the Properties (correct as at 7 May 2014 unless stated otherwise) are approximately:

- (i) £245,000 for Luton;
- (ii) £450,000 for Camberley (correct as at 10 April 2014);
- (iii) £333,750 for Blackburn;
- (iv) £380,920 for Maidstone;
- (v) £318,000 for Walthamstow; and
- (vi) £594,000 for Wood Green.

Some of the rent arrears are owed by tenants in administration and, in some such cases, the Borrower has indicated that the arrears are unlikely to be recovered. In other cases, leases have been disclaimed.

The blended vacancy rate as at 25 March 2014, calculated by ERV (estimated rental value), was 4.9 per cent. across the Portfolio. The ERV based vacancy calculation is derived from the passing rent of let and under offer units, expressed as a percentage of the passing rent of let and under offer units plus ERV of un-let units, excluding development and recently completed properties. Units let to tenants in administration and still trading are treated as let and those no longer trading are treated as un-let.

(e) Environmental indemnity:

When part of the freehold section of the Luton Property was acquired in 2007, the Borrower gave an environmental indemnity in favour of the original seller in relation to losses and claims for all actions incurred or sustained by the original seller (directly or indirectly) in connection with hazardous substances in, on or under the relevant section of the Property or substances migrating to or from it. The indemnity is uncapped but no demand has been made and the Borrower is not aware of any threatened demand or circumstance which could give rise to such a claim.

(f) Refurbishment notice and landlord option to acquire:

The Camberley Property headlease provides that the landlord may serve a refurbishment notice on the tenant once in every twelve year period. The headlease also provides that the tenant may request the service of a refurbishment notice but the Mall Facility Agreement

contains an undertaking by the Borrower not to do so. The liability of the tenant for a refurbishment is uncapped but the tenant can refer any proposal to an arbitrator.

If the tenant does not comply with its refurbishment obligations, the landlord has an option to call for the headlease to be transferred to it, subject to the landlord paying the tenant the open market value. As noted at subparagraph (c)(ii) above, the landlord has agreed to provide the Mall Loan Security Agent with notice before it serves any notice to initiate the refurbishment scheme, but if the landlord did exercise its option to purchase the headlease, this would leave the Borrower with the residual freehold units, forming only part of the mainly leasehold shopping centre, and this might fetter the Mall Loan Security Agent's ability to sell the Property as a going concern in an enforcement scenario.

The relevant Property Report confirms that the tenant has not received a refurbishment notice from the landlord, but notes that the parties are negotiating heads of terms for the redevelopment of the headlease property outside the provisions of the headlease. Further, the local search result obtained in relation to the Camberley Property (for the purposes of preparing the relevant Property Report) identified Camberley town centre as an area for major retail development, which may suggest an increased likelihood of the landlord issuing a refurbishment notice.

Performance risks

The repayment of the Securitised Loan may be, and the payment of interest on the Securitised Loan is, dependent on the ability of the Properties to generate cashflow. There are two primary risks involved in relation to the Properties: (i) that underlying Property cashflows will be insufficient to service the interest payments and principal repayments over the life of the Securitised Loan; and (ii) that proceeds from the sale or refinancing of the Properties will be insufficient to repay the Securitised Loan at maturity. In both cases, the Borrower's ability to make payments on the Securitised Loan may be impaired which would affect the Issuer's ability to make payments under the Class A Notes.

The income-producing capacity of, and accordingly the cash flow from, the Properties may be adversely affected by a large number of factors. Some of these factors relate specifically to a Property itself, such as the age, design and construction quality of the Property; perceptions regarding the safety, convenience and attractiveness of the Property; the proximity and attractiveness of competing properties; the adequacy of the Property's management and maintenance; and an increase in the capital expenditure needed to maintain the relevant Property or make improvements. The Borrower's ability to perform will depend upon the continuity of substantial rental payments under the leases pertaining to the Properties. An increase of vacancy rates or delinquency of a significant number of tenants under their leases may adversely affect such continuity. In addition, restrictions in relation to rent increases and termination rights, such as the privatisation restrictions, could cause the Borrower to experience delays in recovering rental payments. Rental levels, operating expenses and available space, the quality and location of the Properties, their amenities, transport infrastructure and the age of the Properties are also factors bearing upon tenant demand.

Other factors which could have an impact on the value of a Property are more general in nature, such as: national, regional or local economic conditions (including plant closures, industry slowdowns and unemployment rates); local property conditions from time to time (such as an oversupply or under supply of space); demographic factors; consumer confidence; consumer tastes and preferences; retrospective changes in building codes or other regulatory changes; changes in governmental regulations, fiscal policy, planning/zoning or tax laws; potential environmental legislation or liabilities or other legal liabilities; the availability of refinancing; and changes in interest rate levels or yields required by investors in income-producing commercial properties.

Geographic concentration

The Properties are located throughout the United Kingdom, with a material concentration of properties located in South East England.

Repayments under the Securitised Loan and the market value of the Properties could be adversely affected by conditions in the property markets where the Properties are located, acts of nature, for example floods (which may result in uninsured losses), and other factors which are beyond the control of the Obligors.

In addition, the performance of the Properties will be dependent upon the strength of the economy in which the Properties are located.

Risks relating to tenants and leases

The Borrower will generally rely on periodic service charge payments from tenants to pay for maintenance and other operating expenses in respect of the Properties, and periodic rental payments to service the Securitised Loan and any other debt or obligations it has outstanding.

There can be no guarantee that tenants will renew leases upon expiry or refrain from terminating leases early when they have the ability to do so. In respect of some lease agreements the lease term has expired or will expire in the near future.

There can also be no guarantee that a tenant will remain solvent and able to perform its obligations throughout the term of its lease. With regard to the Properties, income from, and the market value of, the Properties would be adversely affected if the Properties could not be re-let, if tenants were unable to meet their lease obligations, if a significant tenant (or a number of smaller tenants) were to become insolvent, or if for any other reason, rental payments could not be collected.

Additional considerations could cause tenants in the Properties to cease making payments under their leases (including, without limitation, as a result of the poor performance of a tenant's business, or as a result of exercising rights of set-off available (where applicable) under a lease or under law).

Set-off of rental payments

It is possible that a tenant may seek to set-off part of its rent in the event that there is a dispute between the Borrower (as landlord) and such tenant, or if the Borrower breaches the tenant's rights of quiet enjoyment, or if the Borrower fails to meet its obligation to keep the relevant Property in repair.

The exercise of such set-off could, if exercised across a significant number of Properties, materially reduce the amount of net rental income available, the Borrower's ability to make payments under the Securitised Loan and therefore, the Issuer's ability to make payments under the Class A Notes.

Property condition assessments

The Borrower could be exposed to unexpected problems or unrecognised risks, such as delays in the implementation of maintenance, refurbishment or modernisation measures in connection with the Properties which it owns. As a result, the Borrower might be unable to let a Property or implement rent increases and the Borrower's financial condition could deteriorate and the value of the relevant Properties could decline.

To maintain rented Properties, and also to avoid loss of value, it is necessary to perform maintenance and/or repairs. In addition, it may be necessary to modernise Properties to increase their appeal or to meet contractual or legal requirements. Such measures can be time consuming and expensive. In

connection with this, risks can arise in the form of higher costs than anticipated or unforeseen additional expenses for maintenance, repair or modernisation that cannot be passed on to tenants. Moreover, work can be delayed, for example, because of bad weather, poor performance or insolvency of contractors or the discovery of unforeseen structural defects. In the ordinary course of events, the Borrower will fund such capital expenditure out of cashflow generated by the Properties. If the necessary capital expenditure is not undertaken, this could lead to a diminution in the value of the relevant Properties, impacting on the liquidation or refinancing value thereof and hence the ability to generate sufficient disposal proceeds or refinancing proceeds. The possibility of such diminution in value could be increased if enforcement proceedings following a Mall Loan Event of Default are protracted.

Risks relating to environmental laws

The Properties could be exposed to risks from residual pollution.

It is possible that the Properties contain ground contamination, hazardous materials, other residual pollution and/or wartime relics (including potentially unexploded ordnance). Moreover, building components might contain hazardous substances (such as polychlorinated biphenyls or asbestos), or the Properties could bear other environmental risks. This could result in cost intensive exercises to remove such wartime ordnance, hazardous materials, residual pollution or contamination. The discovery of such residual pollution, particularly in connection with the lease or sale of Properties, can also trigger claims for rent reductions, termination of leases, damages and other claims for breach of warranty. The remediation of any pollution and the related additional measures could involve considerable additional costs. It may not be possible to take recourse against the polluter or the previous owners of the relevant Properties. Moreover, the existence or even merely the suspicion of the existence of wartime ordnance, hazardous materials, residual pollution or ground contamination can negatively affect the value of a Property and the ability to lease or sell such a Property.

In addition, modernisation of Properties may be necessary to meet evolving legal requirements, such as provisions relating to energy savings. Such measures can be large scale and expensive and may adversely affect the net operating income generated by the Properties.

Limitations of valuations

Savills has produced the OC Valuation. According to the OC Valuation, the aggregate market value of the Portfolio was £674,400,000 as at 25 March 2014.

There can be no assurance that the market value of the Portfolio will continue to be equal to or exceed the valuations given to it in the OC Valuation or that the value of the Properties has not changed materially since the date of the OC Valuation (which was more than eight months prior to the date of this Offering Circular). Assumptions often differ from the current facts regarding such matters and are subject to various risks and contingencies, many of which are not within the control of the Issuer, the Note Trustee, the Issuer Security Trustee or the Borrower.

Some of the assumptions in the OC Valuation might not materialise, and unanticipated events and circumstances may occur or have occurred subsequent to the date of this valuation. As the market value of the Portfolio fluctuates, there can be no assurance that the market value of the Portfolio will be equal to or greater than the unpaid principal and accrued interest and any other amounts due under the Mall Loan. Therefore, the actual results achieved may vary from the related valuation and such variations may be material.

In general, valuations represent the analysis and opinion of qualified valuers and are not guarantees of present or future value. One valuer may reach a different conclusion than the conclusion that would

be reached if a different valuer were appraising the same property, even if theoretically prepared on the same basis.

Internal Valuation

The Internal Valuation was not carried out for the purposes of the advance of the Mall Loan or issuance of the Class A Notes. Prospective Class A Noteholders should be aware that the Internal Valuation is not, and will not become, publicly available. Prospective Class A Noteholders should not place any reliance on the statement in the section entitled “Internal Valuation” within the section entitled “The Borrower” of this Offering Circular that the value of the Properties has increased as compared to the value of the Properties as set out in the OC Valuation. An investor’s assessment of the Class A Notes by reference to the value of the Properties should not be based on the Internal Valuation.

Risks relating to property management and fund management services

The net cashflow realised from and/or the residual value of the Properties may be affected by management decisions. The Property Manager has wide discretions: in particular, the Property Manager may be responsible for collection of rent, general management of the Properties, negotiation of lease terms with potential tenants and monitoring and taking of appropriate action to ensure that the tenant’s covenants in respect of repair and maintenance are observed.

While such persons are experienced in managing commercial properties, there can be no assurance that decisions taken by them or by any future property manager or advisor will not adversely affect the values and/or cashflows of the Properties.

The successful operation of a real estate project depends upon the Property Manager’s and the Fund Manager’s performance and viability. Together they are generally responsible for responding to changes in the local market and planning and implementing the rental structure.

Property deriving revenues primarily from short-term sources, such as portfolios comprising a large number of properties, are generally more management intensive than properties leased to creditworthy tenants under long-term leases. Given the number of Properties and the number of Occupational Leases, the Portfolio requires intensive management and a good relationship with tenants in order to maintain and enhance income, minimise vacancy rates and also to ensure the Properties are kept in good order.

A good property manager and a good fund manager, by controlling costs, providing appropriate service to tenants and seeing to the maintenance of improvements, can improve cashflow, reduce vacancy, leasing and repair costs and preserve the building’s value. On the other hand, management errors can, in some cases, impair short-term cashflow and the long-term viability of an income producing property.

No representation or warranty can be made as to the skills or experience of any present or future property managers or fund managers. Additionally, there can be no assurance that the Property Manager or the Fund Manager will be in a financial condition to fulfil their respective management responsibilities throughout the term of their respective engagements.

Cashflow calculations

Cashflow figures in relation to the Properties contained in this Offering Circular are based on specific assumptions which cannot be taken as an indication of any future cashflows with respect to the Properties. Each investor should make its own determination of the appropriate assumptions to be used in determining the cashflow to be generated in relation to the Properties.

Insurance

The Borrower has undertaken in the Mall Facility Agreement that it will ensure certain insurances are in full force and effect (for further details refer to the “Description of the Mall Facility Agreement” section).

There is no assurance the Borrower will procure the maintenance of the insurances required under the Mall Facility Agreement or that such insurances will be adequate. Moreover, if reconstruction or any major repairs are required, changes in laws or planning requirements may materially affect the Borrower’s ability to effect any reconstruction or major repairs or may materially increase the costs of the reconstruction or repairs.

Certain types of risks and losses (such as losses resulting from war, terrorism, nuclear radiation, radioactive contamination and heaving or settling of structures) may be or become either uninsurable or not economically insurable or are not covered by the required insurance policies. Other risks might become uninsurable (or not economically insurable) in the future. If an uninsured or uninsurable loss were to occur, the Borrower might not have sufficient funds to repay in full all amounts owing by it under the Mall Facility Agreement.

Compulsory purchase

Any property in the United Kingdom may at any time be compulsorily acquired by a public authority possessing compulsory purchase powers (for instance, local authorities and statutory undertakers (including electricity, gas, water and railway undertakers) in respect of their statutory functions) if it can demonstrate that the acquisition is required. Any promoter of a compulsory purchase order would need to demonstrate that the compulsory purchase was necessary or desirable for the promoter’s statutory functions and/or in the public interest. Compulsory purchase of a property can also lead to a reduction in the rent payable under an occupational lease which is subject to the compulsory purchase.

As a general rule, if an order is made in respect of all or any part of a property, compensation would be payable on a basis equivalent to the open market value of all the owners’ and any occupational tenants’ proprietary interests in the relevant property at the time of the purchase, so far as those interests are included in the order, taking account of diminution in value of any retained land and other adverse impacts of the compulsory purchase. There is often a delay between the compulsory purchase of a property and payment of the compensation, although advance interim payments of compensation may be available where the acquiring authority takes possession before compensation has been granted. Should a Property be subject to a compulsory purchase and should such a delay occur, then, unless the Obligors have other funds available, a Mall Loan Event of Default may occur.

If a compulsory purchase order is made in respect of one or more of the Properties or parts of one or more of the Properties, there is no guarantee that the amount of compensation received in connection with any compulsory purchase order would not have an adverse effect on the ability of the Borrower to make payments under the Mall Loan (if it does not have other funds available). This means that the amount received from the proceeds of the purchase of the freehold or leasehold estate may not be equal to the Allocated Mall Loan Amount for the relevant Property. Accordingly, it is possible that a compulsory purchase order in respect of all or part of a Property may have an adverse effect on the resources available to the Issuer to make payments on the Class A Notes.

Competition from new shopping centres, other retail premises and other retail sales channels, including the internet, could have an adverse effect on the Obligors’ business, financial condition and results of operations

The Obligors face competition from other United Kingdom and international property groups and other commercial organisations active in the United Kingdom property market. Competition in the

property market may lead to an oversupply of retail premises through overdevelopment (leading to a difficulty in achieving maximum rents from existing properties) and inflated prices for existing properties or land for development arising from bids by potential purchasers. The Properties compete with other retail offerings within their catchment area. The amount of lettable space in the relevant area, the quality of facilities and the nature of stores at such competing retail offerings could each have a material adverse effect on the Obligor's ability to retain tenants, lease space and on the level of rent they can obtain.

Further, retailers at the Properties face increasing competition from other forms of retailing including shopping via the internet and also retail parks, supermarkets, discount shopping centres and clubs, outlet malls, catalogues, video and home shopping networks, direct mail and telemarketing, all of which impact on the demand for the Obligor's retail space.

Any of the foregoing factors could have an adverse effect on the Obligor's business, financial condition and/or results of operations resulting in an adverse effect on the Borrower's ability to make payments under the Securitised Loan, which in turn, would have an adverse effect on the Issuer's ability to make payments under the Class A Notes.

The asset mix and the risk profile of the Portfolio may change over time as a result of disposal, acquisition and/or substitution of Properties

The asset mix and the risk profile of the Portfolio may change over time due to the disposal, acquisition and/or substitution of Properties in accordance with the terms of the Mall Facility Agreement.

Under the terms of the Mall Facility Agreement, the Borrower is entitled to dispose of, acquire or substitute Properties in certain circumstances. The risks associated with the effect of a disposal, substitution or acquisition of Properties on the value and rental income generative capacity of all the Properties are somewhat mitigated by the disposal, acquisition and substitution criteria and conditions under the Mall Facility Agreement (as to which, see the section of this Offering Circular entitled "Description of the Mall Facility Agreement"). However, given that Disposal Proceeds are first applied in prepayment of the Floating Rate Mall Loan (and not the Securitised Loan), it is likely that the Floating Rate Mall Loan will be repaid prior to the Fixed Rate Mall Loan (and therefore, the Securitised Loan).

Workout Fees and Liquidation Fees

A Specially Serviced Loan will become a Corrected Loan upon the discontinuance of any event which would constitute a non-payment Special Servicing Transfer Event for 190 days and the facts giving rise to any other Special Servicing Transfer Event having ceased to exist and no other matter existing which would give rise to the Securitised Loan becoming a Specially Serviced Loan (a **Corrected Loan**). If a Specially Serviced Loan becomes a Corrected Loan and certain other conditions are met (as described under "Key terms of the servicing arrangements for the Securitised Loan – Special Servicing Fee, Liquidation Fee and Workout Fee"), the Special Servicer will be entitled to a Workout Fee, being a fee equal to 0.5 per cent. of each collection of interest and principal received in respect of the Securitised Loan for so long as it remains a Corrected Loan (plus applicable VAT) (the **Workout Fee**). In addition, upon the sale of any Property following enforcement of any Specially Serviced Loan (including, without limitation, a distressed sale made pursuant to a consensual arrangement with the Obligor), the Special Servicer will be entitled to receive a Liquidation Fee, being a fee equal to 0.5 per cent. of the Liquidation Proceeds which will be payable in accordance with the terms of the Servicing Agreement (plus applicable VAT) (the **Liquidation Fee**).

Payments of Workout Fees and Liquidation Fees will be made by the Issuer in accordance with the relevant Issuer Priority of Payments and will be made in priority to amounts due to the Class A

Noteholders. As such, payment of any Workout Fees or Liquidation Fees may reduce amounts available to pay to the Class A Noteholders.

G. GENERAL: RISKS NOT EXHAUSTIVE

The Issuer believes that the risks described above are the principal risks inherent in an investment in the Class A Notes for the Class A Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Class A Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risks relating to the Class A Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Offering Circular might to some degree lessen some of these risks for the Class A Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to the Class A Noteholders of interest, principal or any other amounts on or in connection with the Class A Notes on a timely basis or at all.

OVERVIEW OF THE KEY PROVISIONS OF THE CLASS A NOTES AND THE ISSUER SECURITY

Please refer to the section entitled “Terms and Conditions of the Class A Notes” for further details in respect of the terms of the Class A Notes.

KEY CHARACTERISTICS OF THE CLASS A NOTES

Ranking

The Class A Notes constitute unconditional direct, secured and limited recourse obligations of the Issuer. The Class A Notes will rank *pari passu* without any preference or priority among themselves as to payments of interest, principal and other amounts at all times.

Prior to the service of an Issuer Debt Acceleration Notice:

- (a) while a Sequential Payment Trigger is not occurring, the Class A Notes will rank senior to the Class B Loan in respect of all payments, other than the payment of principal (which will be paid on a *pro rata* basis to the Class A Noteholders and the Class B Lender (with the amount payable to the Class B Lender being reduced by an amount equal to any Principal Workout Fees due to the Special Servicer)) and the payment of Class A Additional Interest; and
- (b) while a Sequential Payment Trigger is occurring, the Class A Notes will rank senior to the Class B Loan in respect of all payments, other than the payment of Class A Additional Interest,

as provided in the Conditions and the Issuer Transaction Documents.

Following the service of an Issuer Debt Acceleration Notice, the Class A Notes will rank senior to the Class B Loan in respect of all payments, as provided in the Conditions and the Issuer Transaction Documents.

Issuer Security

Pursuant to the Issuer Deed of Charge and as further described in Condition 3.2 (Security), the Issuer will grant the following security interests to the Issuer Security Trustee (on trust for itself and for the other Issuer Secured Creditors) to secure the obligations of the Issuer to the Class A Noteholders, the Class B Lender and the other Issuer Secured Creditors:

- (a) an assignment (or to the extent not assignable, a charge by way of first fixed charge) of the Issuer’s rights in respect of the Issuer Charged Documents;
- (b) an assignment (or to the extent not assignable, a charge by way of first fixed charge) of the Issuer’s rights in respect of

any amount standing from time to time to the credit of the Issuer Accounts;

- (c) a first fixed charge over the Issuer's rights in respect of all shares, stocks, debentures, bonds or other securities and investments owned by it or held by a nominee on its behalf; and
- (d) a first ranking floating charge over all of the Issuer's assets (other than those subject to the fixed charges or assignments as described in paragraphs (a) to (c) above).

In the event of enforcement of the Issuer Security, certain of the Issuer Secured Creditors will rank senior to the Issuer's obligations under the Class A Notes in respect of the allocation of proceeds as set out in the Pre-Acceleration Revenue Priority of Payments and/or the Post-Acceleration Priority of Payments.

Interest

The Class A Rate of Interest payable from time to time in respect of the Class A Notes will be determined by the Agent Bank on each Interest Determination Date.

The Rate of Interest applicable to the Class A Notes for any Issuer Debt Interest Period commencing on or after the Closing Date up to and excluding the Expected Maturity Date will be equal to (a) 1.86 per cent. per annum plus (b) the Class A Margin.

The Rate of Interest applicable to the Class A Notes for each Issuer Debt Interest Period commencing on or after the Expected Maturity Date will be equal to (a) three-month LIBOR (or, in the case of the first Issuer Debt Interest Period commencing on the Expected Maturity Date, the linear interpolation of one-month and two-month LIBOR deposits) plus (b) the Class A Margin.

The LIBOR component of the Rate of Interest will be equal to the Mall Loan LIBOR determined under the Mall Facility Agreement on the Quotation Day for the Mall Loan Interest Period beginning immediately prior to each Issuer Debt Interest Period (other than for the Issuer Debt Interest Period commencing on the Expected Maturity Date), such Mall Loan LIBOR being notified to the Agent Bank by the Mall Loan Facility Agent.

If Mall Loan LIBOR is not calculated under the Mall Facility Agreement for any reason, and in respect of the Issuer Debt Interest Period commencing on the Expected Maturity Date) the Agent Bank will determine LIBOR in respect of the Class A Notes in accordance with Condition 5.3 (Rate of Interest).

Class A Additional Interest

The Class A Noteholders will be allocated the Relevant Percentage of any amount of Mall Loan Default Interest received by the Issuer (in the Issuer Debt Interest Period immediately preceding the relevant Interest Payment Date). Such Class A Additional Interest will be payable to the Class A Noteholders, in accordance with the applicable Issuer Priorities of Payments, on the Interest Payment

Date immediately following the date of receipt of the corresponding Mall Loan Default Interest by the Issuer.

Relevant Percentage means the percentage, derived from dividing (i) the weighted average Principal Amount Outstanding of the Class A Notes by (ii) the aggregate of the weighted average Principal Amount Outstanding of the Class A Notes and the weighted average Outstanding Principal Balance of the Class B Loan, each such weighted average calculated daily:

- (a) (prior to the service of an Issuer Debt Acceleration Notice) for the Issuer Debt Interest Period within which the relevant Revenue Determination Date (on which the Relevant Percentage is being calculated) falls; or
- (b) (following the service of an Issuer Debt Acceleration Notice) for the period since the last distribution made in accordance with the relevant Issuer Priority of Payments to the date on which such Class A Additional Interest is to be paid to the Class A Noteholders.

Deferral of Class A Additional Interest

To the extent that, on any Interest Payment Date, there are insufficient funds to pay the full amount of any Class A Additional Interest, the amount of shortfall in the Class A Additional Interest (the **Deferred Class A Additional Interest**), will not fall due on that Interest Payment Date. Instead, the Issuer shall create a provision in its accounts for the relevant Deferred Class A Additional Interest on the relevant Interest Payment Date.

Such Deferred Class A Additional Interest shall not accrue interest at any rate.

Such Deferred Class A Additional Interest shall be payable on the earlier of: (i) any succeeding Interest Payment Date, but only if and to the extent that, on such Interest Payment Date, there are sufficient available funds to do so (after allowing for the Issuer's liabilities of higher priority in accordance with the relevant Issuer Priority of Payments and subject to and in accordance with the Conditions); and (ii) the date on which the Class A Notes are due to be redeemed in full, subject to the Conditions.

The Class A Noteholders should be aware that interest and other amounts (other than principal) due on the Class B Loan can be deferred if there are insufficient funds to pay such interest (in accordance with the relevant Issuer Priorities of Payments). Such Deferred Class B Loan Interest shall accrue interest at the same rate as that payable in respect of the Class B Loan.

Issuer Debt Prepayment Costs and Issuer Debt Prepayment Accrued Interest

Prior to the service of an Issuer Debt Acceleration Notice, Issuer Debt Prepayment Costs will be payable by the Issuer to the Class A Noteholders (and the Class B Lender) in the event the Class A Notes (or the Class B Loan) have been subject to a mandatory redemption in part or in full by reason of a prepayment of the Securitised Loan. Issuer Debt Prepayment Costs are made up of:

- (a) Class A Fixed Rate Break Costs payable to the Class A Noteholders and Class B Fixed Rate Break Costs payable to the Class B Lender; and
- (b) Class A Note Prepayment Fees payable only to the Class A Noteholders.

Class A Prepayment Accrued Interest is also payable to the Class A Noteholders and Class B Prepayment Accrued Interest is payable to the Class B Lender.

Mall Loan Prepayment Fees and Mall Loan Fixed Rate Break Costs are payable by the Borrower in accordance with the prepayment provisions in the Mall Facility Agreement (see “Description of the Mall Facility Agreement”).

Taxation

As described in Condition 8 (Taxation), all payments in respect of the Class A Notes (by or on behalf of the Issuer) will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law in any jurisdiction to make any payment in respect of the Class A Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall 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 the Class A Notes in respect of such withholding or deduction.

Redemption summary

By way of summary, the Class A Notes (and the Class B Loan) are subject to the following optional or mandatory redemption events:

- (a) mandatory redemption in whole on the Final Maturity Date, as fully set out in Condition 7.1 (Final redemption of the Class A Notes);
- (b) mandatory redemption in part or in full on any day in an amount of Principal Receipts received by the Issuer as allocated between the Class A Notes and the Class B Loan as fully set out in Condition 7.2 (Mandatory redemption from Principal Receipts); and
- (c) optional redemption exercisable by the Issuer in whole for tax and other reasons on any Interest Payment Date or Principal Prepayment Date, as fully set out in Condition 7.3 (Optional redemption for tax and other reasons).

Final redemption

Unless previously redeemed in full and cancelled, the Issuer will redeem the Class A Notes (and repay the Class B Loan) at their Principal Amount Outstanding together with accrued but unpaid interest and any other accrued but unpaid amounts on the Final Maturity Date as fully set out in Condition 7.1 (Final redemption of

the Class A Notes).

Mandatory redemption from Principal Receipts

Prior to the service of an Issuer Debt Acceleration Notice, as described in more detail in Condition 7.2 (Mandatory redemption from Principal Receipts), the Class A Notes are (and the Class B Loan is) subject to mandatory early redemption in part or in full on each Principal Prepayment Date in an amount not exceeding the Principal Receipts allocated to the Class A Notes (or the Class B Loan) on such Principal Prepayment Date (together with Issuer Debt Prepayment Costs (if any) and accrued but unpaid interest (excluding at all times any Class A Additional Interest) on the relevant Class A Principal Redemption Amount from the immediately preceding Interest Payment Date to (but excluding) that Principal Prepayment Date) in accordance with the Pre-Acceleration Principal Allocation Rules.

Optional redemption for Tax and other reasons

As described in Condition 7.3 (Optional redemption for tax and other reasons), if either:

- (a) by reason of a change in the tax law of the United Kingdom or any other jurisdiction (or the application or official interpretation thereof), 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 Class A Note or the Class B Loan for any amount or on account of any present or future taxes, duties, assessments or governmental charges and such requirement cannot be avoided by the Issuer taking reasonable measures available to it;
- (b) by reason of a change in law (or the application or official interpretation thereof) it becomes or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any of the Class A Notes or the Class B Loan or advances under the Mall Facility Agreement; or
- (c) any amount payable by the Borrower in respect of the Securitised Loan is reduced or ceases to be receivable (whether or not actually received),

the Issuer may in certain circumstances redeem all of the Class A Notes and prepay the Class B Loan in an amount equal to the then Principal Amounts Outstanding of the Class A Notes and Outstanding Principal Balance of the Class B Loan, plus in each case, interest and other amounts accrued and unpaid thereon.

Class A Note Events of Default

The Class A Note Events of Default are described in more detail in Condition 10 (Class A Note Events of Default) and include (where relevant, subject to the applicable grace period and any other applicable condition):

- (a) default for a period of five days in the payment of the principal, interest or any other amount on the Class A Notes then outstanding in each case when and as the same

becomes due and payable in accordance with the Conditions (for the avoidance of doubt, the non-payment of any Class A Additional Interest will not constitute a Class A Note Event of Default);

- (b) default by the Issuer in the performance or observance of any other obligation binding upon it under the Class A Notes, the Note Trust Deed, the Issuer Deed of Charge or the other Issuer Transaction Documents or any representation or warranty made by the Issuer under any Issuer Transaction Document is incorrect when made (provided that the Note Trustee certifies to the Issuer that such default is, in its opinion, materially prejudicial to the interests of the Class A Noteholders);
- (c) the Issuer ceases to carry on business or a substantial part of its business or is deemed unable to pay its debts as and when they fall due;
- (d) an order is made or an effective resolution is passed for the winding-up of the Issuer;
- (e) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, receivership, composition, reorganisation or other similar laws; or
- (f) the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, receivership, composition, reorganisation or other similar law.

The Class B Loan Events of Default are substantially similar to the Class A Note Events of Default. However, a Class B Loan Event of Default will only be able to occur once the Class A Notes have been redeemed in full (and, as such, any Class B Loan Event of Default will only apply to the Class B Loan and will not be relevant while any Class A Note is outstanding).

Note EoD Plan

Within five Business Days of becoming aware of the occurrence of a Class A Note Event of Default, the Issuer will publish a notice to the Class A Noteholders (in accordance with the Conditions) and the Class B Lender (in accordance with the Class B Loan Agreement) giving notice of the Class A Note Event of Default and convening a meeting of the Class A Noteholders and the Class B Lender (the non-attendance of which will not affect the validity of the meeting) to be held within five Business Days of the date of such notice in order to commence consultation with the Special Servicer, the Class A Noteholders and the Class B Lender in relation to the preparation of a selection of proposals with a view to the maximisation of recoveries on the Securitised Loan as soon as reasonably practicable (the **Note EoD Plan**).

The Special Servicer will consult with the Class A Noteholders and the Class B Lender with respect to the proposals to be included in

the Note EoD Plan and, following such consultation but not later than the date occurring 45 days after the Class A Note Event of Default, the Issuer will convene a meeting of the Class A Noteholders at which the Class A Noteholders will be requested to select, by approving by way of Ordinary Resolution, their preferred option among the proposals set forth in the Note EoD Plan.

At least one proposal included in the Note EoD Plan by the Special Servicer must be that the Special Servicer will take steps to realise the security for the Securitised Loan as soon as reasonably practicable and/or that the Issuer Security Trustee shall, at the cost of the Issuer, engage an independent financial advisor or a receiver to advise the Issuer Security Trustee on and/or to effect a realisation of the assets of the Issuer for the purposes of redeeming the Class A Notes. The proposal that receives the approval of the holders of the Class A Notes by way of Ordinary Resolution will be implemented (without requiring the consent of the Class B Lender). If no proposal receives the approval of the Class A Noteholders by way of Ordinary Resolution at such meeting, then the Issuer Security Trustee will be deemed to be directed by all the Class A Noteholders and the Class B Lender to appoint a receiver in order to realise the secured assets of the Issuer at such time as the Issuer Security becomes enforceable pursuant to the Issuer Deed of Charge, subject to the Issuer Security Trustee being indemnified and/or secured and/or pre-funded to its satisfaction.

Acceleration and enforcement If a Class A Note Event of Default has occurred, the Note Trustee:

- (a) at its absolute discretion may; or
- (b) shall, if so requested in writing by the holders of Class A Notes outstanding constituting not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class A Notes then outstanding; or
- (c) shall, if so directed by or pursuant to an Extraordinary Resolution of the holders of the Class A Notes then outstanding,

(in each case, subject to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give an Issuer Debt Acceleration Notice to the Issuer and the Issuer Security Trustee declaring all the Class A Notes and the Class B Loan to be immediately due and repayable, in accordance with Condition 10 (Class A Note Events of Default). The Class B Lender cannot give an Issuer Debt Acceleration Notice while there are any Class A Notes outstanding.

Upon the giving of an Issuer Debt Acceleration Notice in accordance with Condition 10.1 (Class A Note Events of Default), the Class A Notes then outstanding and the Class B Loan shall immediately become due and repayable at their/its Principal Amount Outstanding/Outstanding Principal Balance together with accrued interest (including, where applicable, Deferred Class A

Additional Interest and Deferred Class B Loan Interest) and other accrued and unpaid amounts as provided in the Issuer Deed of Charge, the Note Trust Deed and the Class B Loan Agreement.

The Issuer Security will become enforceable upon the occurrence of a Class A Note Event of Default, or if there are no Class A Notes outstanding, a Class B Loan Event of Default.

Note Maturity Plan

As described in more detail in Condition 14 (Note Maturity Plan), if (a) any part of the Securitised Loan remains outstanding on the date which is six months prior to the Final Maturity Date and (b) in the opinion of the Special Servicer, all recoveries then anticipated by the Special Servicer with respect to the Securitised Loan (whether by enforcement of the Mall Loan Security, the Issuer Security or otherwise) are unlikely to be realised in full prior to the Final Maturity Date, the Special Servicer will prepare a draft Note Maturity Plan and present the same to the Issuer (which will provide a copy to the Class A Noteholders and the Class B Lender), the Note Trustee and the Issuer Security Trustee within 45 days after the Note Maturity Plan Trigger Date. Upon receipt of the draft Note Maturity Plan, the Issuer will convene a meeting of the Class A Noteholders and the Class B Lender (the non-attendance of which will not affect the validity of the meeting) at which the Class A Noteholders and the Class B Lender will have the opportunity to discuss the various proposals contained in the draft Note Maturity Plan with the Special Servicer.

Following such meeting, the Special Servicer will have the opportunity to modify the draft Note Maturity Plan and will promptly prepare a final Note Maturity Plan. Upon receipt of the final Note Maturity Plan, the Issuer will convene a meeting of the Class A Noteholders at which the Class A Noteholders will be requested to select their preferred option among the proposals set forth in the final Note Maturity Plan. At least one proposal provided by the Special Servicer must be that the Issuer Security Trustee, at the cost of the Issuer, will engage an independent financial advisor or a receiver to advise the Issuer Security Trustee on and/or to effect a realisation of the Issuer Security for the purposes of redeeming the Class A Notes. The Special Servicer will implement the proposal that receives the approval of the holders of the Class A Notes by way of Ordinary Resolution (without requiring the consent of the Class B Lender). If no option receives the approval of the holders of the Class A Noteholders by way of Ordinary Resolution at such meeting, then the Issuer Security Trustee shall be deemed to be directed by all of the Class A Noteholders and the Class B Lender to appoint a receiver (subject to being indemnified and/or secured and/or pre-funded) to realise all the secured assets of the Issuer at such time as the Issuer Security becomes enforceable pursuant to the Issuer Deed of Charge.

Limited recourse

As described in more detail in Condition 12 (Limit on Class A Noteholder action, limited recourse and non-petition), the Class A Notes are limited recourse obligations of the Issuer, and, if the Class

A Notes are not repaid in full following the Final Maturity Date or realisation or enforcement of all of the Issuer Security, the Issuer shall have no liability to make payment of any shortfall and any claim in respect of any outstanding payments will be extinguished and discharged.

Non-petition

As described in more detail in Condition 12 (Limit on Class A Noteholder action, limited recourse and non-petition), no Class A Noteholder shall be entitled to proceed directly against the Issuer or any other Issuer Secured Creditors to enforce the Issuer Security, including directing the Note Trustee to instruct the Issuer Security Trustee, or to enforce the Issuer Security.

Governing law

The Issuer Transaction Documents and the Class A Notes will be governed by, and shall be construed in accordance with, English law.

RIGHTS OF CLASS A NOTEHOLDERS AND RELATIONSHIP WITH OTHER ISSUER SECURED CREDITORS

See the section entitled “Terms and Conditions of the Class A Notes” for a more detailed description of the rights of Class A Noteholders, conditions for exercising such rights and relationship with other Issuer Secured Creditors.

Meetings of Class A Noteholders

Summary

Resolutions in respect of Finance Document Requests can be passed by way of electronic consent, written consent or negative consent.

Resolutions in respect of any matter, other than a Finance Document Request, can be passed by way of physical meeting, electronic consent, written consent or (subject to specific exemptions) negative consent.

Convening of meetings

As described in more detail in Condition 13 (Meetings of Class A Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties), the Note Trustee shall, upon a requisition in writing signed by the holders representing in aggregate at least 10 per cent. of the Principal Amount Outstanding of the Class A Notes, convene a physical meeting of the Class A Noteholders or propose a resolution by way of electronic consent or written consent.

The Issuer will also be required, pursuant to Condition 14 (Note Maturity Plan) to convene a physical meeting of the Class A Noteholders for the purposes of (a) considering any draft Note Maturity Plan and (b) the Class A Noteholders selecting their preferred option among the proposals set out in the final Note Maturity Plan.

Within five Business Days of becoming aware of the occurrence of a Class A Note Event of Default, the Issuer will, in accordance with Condition 10.3 (Note EoD Plan) be required to publish a notice to the Class A Noteholders in accordance with the Conditions giving notice of the Class A Note Event of Default and convening a physical meeting within five Business Days of the date of such notice to commence consultation with the Class A Noteholders in relation to the preparation of a selection of proposals with a view to the maximisation of recoveries on the Securitised Loan as soon as reasonably practicable subject to the Servicing Standard.

The Issuer, the Note Trustee, the Issuer Cash Manager, the Servicer or the Special Servicer may also:

- (a) convene (or require the Issuer to convene) Class A Noteholder physical meetings (at the cost of the Issuer) for any purpose, including consideration of Extraordinary Resolutions or Ordinary Resolutions; or

- (b) propose (or require the Issuer to propose) any resolution for consideration by way of written consent, negative consent (to the extent such matter is permitted to be determined by way of negative consent, as to which, see “Negative Consent” below) or electronic consent.

Class A Noteholders physical meeting provisions

	Initial meeting	Adjourned meeting
Notice period	14 clear days for any matter other than a Finance Document Request	Seven clear days for any matter other than a Finance Document Request
Quorum	In accordance with Condition 13.2 (Quorum at Class A Noteholders’ meeting), one or more persons present holding Class A Notes outstanding or voting certificates in respect thereof or being proxies representing in the aggregate not less than (for an Ordinary Resolution) 25 per cent. and (for an Extraordinary Resolution) 50.1 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes for the time being outstanding. A meeting to consider a Basic Terms Modification will require one or more persons present holding Class A Notes outstanding or voting certificates in respect thereof or proxies representing in aggregate not less than 75 per cent. of the Principal Amount Outstanding of the Class A Notes for the time being outstanding.	In accordance with Condition 13.2 (Quorum at Class A Noteholders’ meeting), one or more persons being or representing Class A Noteholders whatever the Principal Amount Outstanding of Class A Notes outstanding held by them <i>provided that</i> , with respect to an adjourned meeting to consider a Basic Terms Modification, such Class A Noteholders must also represent at least 33 ¹ / ₃ per cent. of the Principal Amount Outstanding of the Class A Notes for the time being outstanding.

***Class A Noteholders
electronic consent and written
consent notice periods***

Seven Business Days for a matter relating to a Finance Document Request.

10 clear days for any matter other than a Finance Document Request.

Required majorities

Physical meeting

The majority required for passing an Extraordinary Resolution and an Ordinary Resolution at any duly convened and quorate meeting of Class A Noteholders will be at least 50.1 per cent. of votes cast.

Written resolutions/
written consent

A resolution passed in writing by holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the Class A Notes (a **Written Extraordinary Resolution**) will have the same effect as an Extraordinary Resolution.

A resolution passed in writing by holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the Class A Notes (a **Written Ordinary Resolution**) will have the same effect as an Ordinary Resolution.

Electronic resolutions/
electronic consent

A resolution passed by way of electronic consents communicated through the electronic communications systems of the relevant Clearing Systems to the Principal Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the relevant Clearing Systems by or on behalf of holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the Class A Notes (an **Electronic Extraordinary Resolution**) will have the same effect as an Extraordinary Resolution.

A resolution passed by way of electronic consents communicated through the electronic communications systems of the relevant Clearing Systems to the Principal Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the relevant Clearing System by or on behalf of holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the Class A Notes (an **Electronic Ordinary Resolution**) will have the same effect as an Ordinary Resolution.

Basic Terms Modification

Any Extraordinary Resolution of the Class A Notes which would have the effect of sanctioning:

- (a) a modification of the date of maturity of the Class A Notes or the Class B Loan;
- (b) a reduction in the amount of principal or the rate of interest payable in respect of the Class A Notes or the Class B Loan;
- (c) a modification of the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of the Class A Notes or the Class B Loan;
- (d) any alteration of the currency of payment of the Class A Notes or the Class B Loan;
- (e) a release of the Issuer Security (or any part thereof) other than in accordance with the provisions of the Issuer Transaction Documents (including, without limitation, the Note Trustee's and the Issuer Security Trustee's ability to exercise their respective powers and discretions under the Note Trust Deed, the Issuer Deed of Charge or any other Issuer Transaction Document);
- (f) an approval of any consent, modification, waiver, amendment or proposal by the Servicer or Special Servicer in respect of a Reserved Matter; or
- (g) a modification of the definition of "Basic Terms Modification" or the quorum or majority required to effect a Basic Terms Modification,

will, in each case, constitute a **Basic Terms Modification** except, in each case, as set out in the final Note Maturity Plan delivered to the Class A Noteholders pursuant to Condition 14 (Note Maturity Plan) or a Note EoD Plan delivered to the Class A Noteholders pursuant to Condition 10.3 (Note EoD Plan).

Where a modification, that would have been a Basic Terms Modification had it not been for the above provision, is included in the final Note Maturity Plan or Note EoD Plan delivered to the Class A Noteholders pursuant to Condition 14 (Note Maturity Plan) or Condition 10.3 (Note EoD Plan), such modification shall be approved in accordance with Condition 14 (Note Maturity Plan) or Condition 10.3 (Note EoD Plan) and such modification will not require the consent of the Class B Lender.

Any Class A Noteholder resolution relating to a Basic Terms Modification (and any modification pursuant to a Note EoD Plan or a Note Maturity Plan will not be a Basic Terms Modification) will require the consent of the Class B Lender. However, the Class B Lender can only withhold its consent if it certifies, acting reasonably, that such resolution is materially prejudicial to its

interests.

Protected Matters

As described in more detail in Condition 13.10 (Modifications and waivers), certain modifications or amendments to the Issuer Transaction Documents constituting Protected Matters cannot be effected without the consent of the Borrower.

Negative Consent

As described in more detail in Condition 13.9 (Negative Consent), an Extraordinary Resolution (other than an Extraordinary Resolution relating to (i) a Basic Terms Modification, (ii) the waiver of any Class A Note Event of Default, (iii) the acceleration of the Instruments or (iv) the enforcement of the Issuer Security) or an Ordinary Resolution (other than an Ordinary Resolution relating to the sanction of a Note Maturity Plan or a Note EoD Plan) will be deemed to have been passed by the Class A Noteholders if, within (in respect of a Finance Document Request) seven Business Days or (in respect of any matter other than a Finance Document Request) 30 clear days, of the date of a notice to the Class A Noteholders, holders of 50 per cent. or more (in the case of an Extraordinary Resolution or an Ordinary Resolution) in aggregate of the Principal Amount Outstanding of the Class A Notes, as the case may be, have not informed the Note Trustee, in the manner prescribed in Condition 13.9 (Negative Consent), of their objection to such Extraordinary Resolution or Ordinary Resolution (as applicable).

***Matters requiring
Extraordinary Resolution***

The following matters, among others, may be passed only by way of an Extraordinary Resolution (including by way of negative consent (other than for (a) below)):

- (a) a Basic Terms Modification;
- (b) a modification of the Class A Notes or the Note Trust Deed (including the Conditions) or the provisions of any of the other Issuer Transaction Documents or the Finance Documents (unless the terms of the Issuer Transaction Documents provide otherwise); and
- (c) the termination of the appointment of the Servicer, the Special Servicer, the Note Trustee or the Issuer Security Trustee (provided that (a) in respect of the Servicer and the Special Servicer, if there is then no Class A Note Event of Default occurring, the Class B Lender actively consents to such termination and (b) in respect of the Issuer Security Trustee, the Class B Lender consents to such termination).

***Matters requiring Ordinary
Resolution***

By way of Ordinary Resolution:

- (a) (including by way of negative consent), the appointment of the Issuer Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, the Registrar or the Corporate Services Provider can be terminated (provided that in respect of the Issuer Cash Manager, the Account Bank and the Corporate Services Provider, the consent of the Class B Lender is obtained);

- (b) the Class A Noteholders can approve a Note Maturity Plan; and
- (c) the Class A Noteholders can approve a Note EoD Plan.

Class B Lender's consent

Prior to the occurrence of a Class A Note Event of Default, the consent of the Class B Lender will (save in certain limited circumstances referred to below) be required to all matters for which the Note Trustee's (or the Class A Noteholders') consent is required (including, without limitation, waiving, modifying or amending the terms of the Issuer Transaction Documents or the Finance Documents). However, the Class B Lender's ability to withhold its consent to such matters is restricted as described further in the section entitled "Consent of the Class B Lender" within the section entitled "Description of the Class B Loan Agreement".

The Class B Lender's consent will not, at any time, be required (a) to the termination and replacement of the Note Trustee or the Agents; (b) for the Note Trustee or the Issuer Security Trustee to determine that any Class A Note Event of Default or Potential Class A Note Event of Default will not be treated as such for the purposes of the Issuer Transaction Documents; or (c) to the appointment of an administrative receiver in respect of the Issuer by the Issuer Security Trustee in accordance with the provisions of the Issuer Transaction Documents.

Following the occurrence of a Class A Note Event of Default, the Class B Lender's consent will only be required to a Basic Terms Modification.

Relationship between the Class A Noteholders and binding effect of resolutions

An Extraordinary Resolution or an Ordinary Resolution deemed to be passed or passed at any meeting or duly signed by the required majority of the Class A Noteholders shall be binding on all the Class A Noteholders whether or not they are present at such meeting or signed such resolution.

Relationship between the Class A Noteholders and other Issuer Secured Creditors

The Issuer Deed of Charge will provide that:

- (a) so long as there are Class A Notes outstanding, if there is a conflict between the interests of (i) the Class A Noteholders and (ii) any of the other Issuer Secured Creditors (including the Class B Lender), the Issuer Security Trustee shall be entitled to have regard only to the interests of the Class A Noteholders;
- (b) if there is a conflict between the interests of (i) the Class A Noteholders and the Class B Lender and (ii) any of the other Issuer Secured Creditors, the Issuer Security Trustee shall be entitled to have regard only to the interests of the Class A Noteholders and the Class B Lender; and
- (c) if there are no Class A Notes outstanding, if there is a conflict between the interests of (i) the Class B Lender and

(ii) any of the other Issuer Secured Creditors, the Issuer Security Trustee shall be entitled to have regard only to the interests of the Class B Lender.

Disenfranchisement of Class A Notes held by the Obligors or their Affiliates

As described in more detail in Condition 13.4 (Disenfranchised Holder), for the purposes of determining: (i) the quorum at any meeting of the Class A Noteholders considering an Extraordinary Resolution or an Ordinary Resolution or the majority of votes cast at such meeting; (ii) the holders of Class A Notes for the purposes of giving any direction to the Note Trustee (or any other party); (iii) the majorities required for any Written Resolution or Electronic Resolution, or (iv) (by the Note Trustee or the Issuer Security Trustee) whether any matter is materially prejudicial to the Class A Noteholders, the voting, objecting or directing rights attaching to any Class A Note held by (or in relation to which the exercise of the right to vote is directed or otherwise controlled by) a Disenfranchised Holder shall not be exercisable by such Disenfranchised Holder, and such Class A Notes shall be treated as if they were not outstanding and shall not be counted in or towards any required quorum or majority.

Each Class A Noteholder that holds Class A Notes that are treated as outstanding and counted in or towards any quorum, majority or other matter as referred to in Condition 13.4 (Disenfranchised Holder) shall be deemed to warrant and represent to the Issuer, the Issuer Security Trustee and the Note Trustee that it is not a Disenfranchised Holder.

The Class B Lender cannot be a Disenfranchised Holder.

Provision of information to the Class A Noteholders

Information in respect of the Securitised Loan and the Properties will be provided to the Class A Noteholders, the Class B Lender and the Securitised Loan Seller (and made public) on a quarterly basis in the Servicer Quarterly Report. See “Key terms of the servicing arrangements for the Securitised Loan – Reporting” for further details.

Reports

Pursuant to the Cash Management Agreement, the Issuer Cash Manager will make available on its internet website (currently located at www.usbank.com/abs):

- (a) the Servicing Agreement and any amendment thereto;
- (b) all Servicer Quarterly Reports made available to the holders of the Class A Notes, the Class B Lender and the Securitised Loan Seller since the Closing Date; and
- (c) all Issuer Cash Manager Quarterly Reports made available to holders of the Class A Notes, the Class B Lender and the Securitised Loan Seller since the Closing Date.

Communication with Class A Noteholders

All notices to be given by the Issuer, the Servicer, the Special Servicer, the Issuer Cash Manager or the Note Trustee to the Class A Noteholders may be given in accordance with the provisions of

Condition 17 (Notice to Class A Noteholders) (or the provisions of Condition 13.9 (Negative Consent) in respect of the matters referred to in that Condition). A copy of all such notices will be given to the Class B Lender.

In addition, entities should register their beneficial interest in any Class A Notes with the Servicer to ensure that they receive certain notices relating to the Class A Notes in a timely manner, as described further in Condition 17.5 (Servicer communications with Class A Noteholders).

Communications between Class A Noteholders and between Class A Noteholders and the Class B Lender

As described in more detail in Condition 17 (Notice to Class A Noteholders), following receipt of a request for the publication of a notice from a then current Class A Noteholder which has satisfied the Issuer Cash Manager that it is a current Class A Noteholder in accordance with Condition 13.16 (Class A Notes being held through Euroclear or Clearstream, Luxembourg) or the Class B Lender, the Issuer Cash Manager shall publish such notice on its investor reporting website *provided that* such notice contains no more than:

- (a) an invitation to other Verified Debtholders to contact the Initiating Debtholder;
- (b) the name of the Initiating Debtholder, as applicable, and the address, phone number, website or email address at which the Initiating Debtholder can be contacted; and
- (c) the date(s) from, on or between which, the Initiating Debtholder may be so contacted.

Relevant dates and periods

Closing Date: The date of initial issuance for the Class A Notes is expected to be 19 December 2014 (or such other date as the Issuer and Lead Manager may agree).

Cut-Off Date: Where used in this Offering Circular in respect of certain information relating to the Properties, 25 March 2014 (the **Cut-Off Date**).

Mall Loan Termination Date: 30 May 2019 (the **Mall Loan Termination Date**).

Unless previously repaid, the Mall Loan will be required to be repaid by the Borrower in full on the Mall Loan Termination Date.

Expected Maturity Date: Five Business Days after the Mall Loan Termination Date (the **Expected Maturity Date**).

Final Maturity Date: Unless previously redeemed in full, the Issuer will redeem the Class A Notes (and will repay the Class B Loan) in full (together with all accrued interest thereon) on or about 7 June 2021 (the

Final Maturity Date).

***Interest
Payment
Dates:***

28 January, 28 April, 28 July and 28 October in each year and the Expected Maturity Date or, if such day is not a Business Day, the next following Business Day in that calendar Month (if there is one) or the preceding Business Day (if there is not (each such day being an **Interest Payment Date**).

The first Interest Payment Date in respect of the Class A Notes (and the Class B Loan) will fall on or about 28 January 2015. The first Interest Payment Date in respect of the Class A Notes (and the Class B Loan) following the Mall Loan Termination Date will be the Expected Maturity Date.

The second Interest Payment Date in respect of the Class A Notes (and the Class B Loan) following the Mall Loan Termination Date will fall on or about 28 July 2019.

***Principal
Prepayment
Dates:***

Any date(s) which falls five Business Days following the date of receipt of any Principal Receipts by or on behalf of the Issuer.

***Mall Loan
Payment Date:***

22 January, 22 April, 22 July and 22 October in each year and the Mall Loan Termination Date or, if any such day is not a Business Day, the Mall Loan Payment Date will instead be the next Business Day in that calendar Month (if there is one) or the preceding Business Day (if there is not) (each such day being a **Mall Loan Payment Date**). The first Mall Loan Payment Date in respect of the Mall Loan was 22 July 2014.

***Mall Loan
Interest
Period:***

Each period by reference to which interest on the Mall Loan is calculated. Each interest period for a Mall Loan will start on the last day of its preceding Mall Loan Interest Period and will end on the next Mall Loan Payment Date. If a Mall Loan Interest Period would otherwise end on a day which is not a Business Day, that Mall Loan Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Business Day:

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York and Jersey.

Revenue Determination Date: Three Business Days prior to each Interest Payment Date (the **Revenue Determination Date**).

Principal Determination Date: Three Business Days prior to each Principal Prepayment Date (the **Principal Determination Date**).

Issuer Debt Interest Period: Each of the successive interest periods by reference to which interest on the Class A Notes and the Class B Loan is payable. The first Issuer Debt Interest Period will commence on (and include) the Closing Date and end on (but exclude) the Interest Payment Date falling in January 2015. Each successive Issuer Debt Interest Period will commence on (and include) the next (or first) Interest Payment Date and end on (but exclude) the following Interest Payment Date (each, an **Issuer Debt Interest Period**).

Interest Determination Date: In respect of:

- (a) each Issuer Debt Interest Period (other than the Issuer Debt Interest Periods referred to in (b) and (c) below), the Quotation Day for each Mall Loan Interest Period beginning immediately prior to such Issuer Debt Interest Period;
- (b) the first Issuer Debt Interest Period, the Closing Date; and
- (c) the Issuer Debt Interest Period commencing on the Expected Maturity Date, the Expected Maturity Date,

(each, an **Interest Determination Date**).

Cashflow and credit structure source and application of funds

The repayment of principal and the payment of interest by the Borrower in respect of the Securitised Loan will provide the principal source of funds for the Issuer to make payments in respect of the Class A Notes, the Class B Loan and the other Issuer Secured Liabilities.

Prior to the service of an Issuer Debt Acceleration Notice

Prior to the service of an Issuer Debt Acceleration Notice, as described in more detail in the sections entitled “Cashflow and Issuer Priorities of Payments” and “Cash Management”, the Issuer Cash Manager (on behalf of the Issuer or, following the enforcement of the Issuer Security, the Issuer Security Trustee) will, amongst other things, on each Revenue Determination Date or Principal Determination Date (as relevant) calculate all amounts due

in accordance with the applicable Issuer Priorities of Payments on the forthcoming Interest Payment Date or Principal Prepayment Date (as relevant) and the amounts available to make such payments.

Principal

Prior to the service of an Issuer Debt Acceleration Notice, on each Principal Determination Date, the Issuer Cash Manager will determine the Principal Receipts, the Mall Loan Prepayment Fees, the Mall Loan Fixed Rate Break Costs and the Mall Loan Prepayment Accrued Interest and the amount of each to be allocated to the Class A Notes and the Class B Loan.

Unless previously redeemed in full and cancelled, the Class A Notes are subject to mandatory early redemption in part or in full in an amount not exceeding the Principal Receipts allocated to the Class A Notes on a Principal Prepayment Date, subject to the Pre-Acceleration Principal Allocation Rules (the Class B Loan, if not previously prepaid in full, is subject to mandatory early prepayment in part or in full in an amount not exceeding the Principal Receipts allocated to the Class B Loan on a Principal Prepayment Date, subject to the Pre-Acceleration Principal Allocation Rules).

If a Sequential Payment Trigger has occurred and is continuing on the relevant Principal Determination Date, Principal Receipts will be applied sequentially across the Class A Notes and the Class B Loan (subject to the Pre-Acceleration Principal Allocation Rules and, in particular, payment of any Principal Workout Fees and Principal Liquidation Fees due to the Servicer).

If there is no Sequential Payment Trigger continuing on the relevant Principal Determination Date, Principal Receipts will be applied *pro rata* across the Class A Notes and the Class B Loan (subject to the Pre-Acceleration Principal Allocation Rules and, in particular, payment of any Principal Workout Fees due to the Servicer).

Revenue

Prior to the service of an Issuer Debt Acceleration Notice, on each Revenue Determination Date, the Issuer Cash Manager will determine the Revenue Receipts and each amount to be applied pursuant to the Pre-Acceleration Revenue Priority of Payments.

On each Interest Payment Date, the Issuer Cash Manager will apply Revenue Receipts, subject to the prior payment of the Issuer Priority Payments (and subject to the rules described in “Cashflow and Issuer Priorities of Payments”) each as determined on the immediately preceding Revenue Determination Date in the manner and in order of priority set out in the Pre-Acceleration Revenue Priority of Payments (only if and to the extent that payments or provisions of a higher priority have been made in full).

Following the service of an Issuer Debt Acceleration Notice

Following the service of an Issuer Debt Acceleration Notice, the Issuer Cash Manager (on behalf of the Issuer Security Trustee) will apply all monies and receipts received by the Issuer and/or the Issuer Security Trustee or a receiver appointed by it, in the manner and order of priority set out in the Post-Acceleration Priority of Payments (in each case only if and to the extent that payments provisions of a higher priority have been made in full).

General credit structure

The credit structure of the transaction includes the following elements.

Subordination of the Class B Loan

In certain situations, the Class B Loan will be subordinated to the Class A Notes, thereby ensuring that available funds are applied to the Class A Notes in priority to the Class B Loan. See the sections entitled “Cashflow and Issuer Priorities of Payments” and “Description of the Note Trust Deed and the Issuer Deed of Charge” for further details.

Mall LTV ratio

The value of the Properties (as set out in the OC Valuation) exceeds the Total Commitment under the Mall Loan. In addition, the Mall Facility Agreement requires that the LTV ratio does not, at any time, exceed 75 per cent.

THE ISSUER

Introduction

Zephyrus (European Loan Conduit No. 30) plc (the **Issuer**) was incorporated in England and Wales on 15 October 2014 (registered number 09265263) as a public limited company under the Companies Act 2006. The registered office of the Issuer is at 35 Great St. Helen's, London EC3A 6AP. The telephone number of the Issuer's registered office is +44 (0)20 7398 6300. The share capital of the Issuer is £50,000, divided into 50,000 ordinary shares of £1 each, all of which are issued and paid up (49,999 as to £0.25 each and one fully paid up) and held by Issuer Holdco, a limited liability company. The Issuer has no subsidiaries.

Principal activities

The principal business of the Issuer is to raise or borrow money and to grant security over its assets for such purposes and to lend money with or without security.

Since its incorporation, the Issuer has not engaged in any activities other than those incidental to its incorporation and registration under the Companies Act 2006, the authorisation of the issue of the Class A Notes and the borrowing of the Class B Loan and of the other documents and matters referred to or contemplated in this Offering Circular and matters which are incidental or ancillary to the foregoing. No financial statements for the Issuer have been made up as at the date of this Offering Circular.

The Issuer will covenant to observe certain restrictions on its activities which are detailed in Condition 4 (Covenants).

There is no intention to accumulate surplus in the Issuer (other than amounts in respect of Issuer Profit Amount).

Directors and secretary

The directors and a secretary of the Issuer and their respective business addresses and other principal activities are:

Name	Role	Business address	Other principal activities
SFM Directors Limited	Director	35 Great St. Helen's London EC3A 6AP	Acting as corporate directors for special purpose companies
SFM Directors (No. 2) Limited	Director	35 Great St. Helen's London EC3A 6AP	Acting as corporate directors for special purpose companies
Claudia Wallace	Director	35 Great St. Helen's London EC3A 6AP	Acting as a director for special purpose companies
SFM Corporate Services Limited	Secretary	35 Great St. Helen's London EC3A 6AP	Acting as a secretary for special purpose companies

The Issuer has no employees.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers LLP, who are chartered accountants and are a member firm of the Institute of Chartered Accountants in England and Wales and registered auditors qualified to practise in England and Wales.

Corporate Services Agreement

Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider will perform various management functions on behalf of the Issuer and the Issuer Holdco, including the provision of certain administrative, accounting and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses.

The terms of the Corporate Services Agreement provide that:

- (a) either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is not cured within 30 days from the date on which it was notified of such breach;
- (b) either party may terminate the Corporate Services Agreement at any time by giving not less than 90 days' written notice to the other party; or
- (c) the Class A Noteholders can (acting by Ordinary Resolution and with the consent of the Class B Lender) direct that the Corporate Services Provider be terminated.

Any such termination will not take effect until a replacement corporate services provider has been appointed.

ISSUER HOLDCO

Introduction

Zephyrus (European Loan Conduit No. 30) Holdings Limited (**Issuer Holdco**) was incorporated in England and Wales on 15 October 2014 (registered number 09265374) as a limited liability company under the Companies Act 2006. The registered office of Issuer Holdco is at 35 Great St. Helen's, London EC3A 6AP. The telephone number of Issuer Holdco's registered office is +44 (0)20 7398 6300.

The share capital of the Issuer Holdco is one ordinary share which is fully paid up and held by the Share Trustee.

Principal activities

The business of Issuer Holdco is solely to hold the shares of the Issuer.

Directors

The directors and a secretary of Issuer Holdco and their respective business addresses and other principal activities are:

Name	Role	Business address	Other principal activities
SFM Directors Limited	Director	35 Great St. Helen's London EC3A 6AP	Acting as corporate directors for special purpose companies
SFM Directors (No. 2) Limited	Director	35 Great St. Helen's London EC3A 6AP	Acting as corporate directors for special purpose companies
Claudia Wallace	Director	35 Great St. Helen's London EC3A 6AP	Acting as a director for special purpose companies

Issuer Holdco has no employees.

THE BORROWER

The Mall Limited Partnership

General

The Borrower is a limited partnership established in England and Wales on 14 January 2002 under the Limited Partnerships Act 1907 (as amended), with registration number LP007977. It commenced business on 25 January 2002 and has its principal place of business at 52 Grosvenor Gardens, London SW1W 0AU and its telephone number is +44(0)20 7283 2000.

Under the terms of a limited partnership agreement last amended on 22 September 2014 (the **Partnership Agreement**), The Mall (General Partner) Limited (registered number 04331119) with its registered office at 52 Grosvenor Gardens, London SW1W 0AU (the **General Partner**) acts as the general partner of the Borrower and BNP Paribas Jersey Trust Corporation Limited (in its capacity as trustee of The Mall Unit Trust) (the **Limited Partner**, and together with the General Partner, the **Partners**) is appointed as sole limited partner. No more than one person may be a limited partner at the same time. The Borrower has no legal personality of its own and all of the assets of the Borrower are the undivided joint property of the Partners.

The Borrower is managed by the General Partner which in turn has appointed a fund manager (Aviva Investors Global Services Ltd, the **Fund Manager**) and a property manager (Capital & Regional Property Management Limited, the **Property Manager**). The General Partner, via the Fund Manager and the Property Manager, conducts the day-to-day management of the business of the Borrower and the Limited Partner does not take part in the management or control of the business of the Borrower. The Camberley Trustees have also appointed the Property Manager to provide investment advisory services and management services to the Camberley Unit Trust pursuant to the Camberley Management Agreement. For further information on the roles of the Fund Manager and Property Manager, see the section entitled “Management and administration of the Properties”.

Each Partner holds units in the Borrower (**Partnership Units**), which represent a share of the net asset value of the Borrower. The Limited Partner has a 99.96 per cent. share in the net asset value of the Borrower and the General Partner has a 0.04 per cent. share in the net asset value of the Borrower. The Limited Partner holds its interest in the Borrower on trust for Capital & Regional Units LLP and Capital & Regional (Europe Holding 5) Limited under a unit trust constituted by a trust instrument dated 9 March 2004, as amended (the **Mall Unit Trust**).

The limited partnership constituting the Borrower will terminate:

- (d) on the General Partner ceasing to act as general partner without the appointment of a replacement general partner;
- (e) on 30 June 2022; or
- (f) by Borrower Special Resolution of the Limited Partner to sell all of the assets of the Borrower.

Principal activities

The Borrower’s business is the acquisition, redevelopment, refurbishment, management, letting and holding of shopping centres for investment purposes in accordance with its investment policy. The Borrower’s investment policy is to establish an investment portfolio of shopping centres, with the objective to outperform the Investment Property Databank’s shopping centre index on a geared basis

by one per cent. per annum over a rolling three year basis. To this end, it has appointed the Fund Manager and the Property Manager as further described under the section entitled “Management and administration of the Properties”.

The only other activities in which the Borrower has engaged are those incidental to its incorporation and registration and matters which are incidental or ancillary to the foregoing.

Summary of the Partnership Agreement

The General Partner is liable for the Borrower’s debts, liabilities and obligations to third parties to the extent that they exceed the assets of the Borrower, and indemnifies the Limited Partner to that extent. If the Borrower is unable to pay its debts or liabilities, the Limited Partner’s liability is limited to the amount of its capital contribution to the Borrower.

Legal title to all of the assets of the Borrower is held in the name of the General Partner or its nominee(s) on behalf of the Borrower as the General Partner may from time to time direct.

Under the Partnership Agreement, certain matters require the approval of the Limited Partner by way of Borrower Special Resolution or Borrower Ordinary Resolution. The Limited Partner is entitled to split its vote by reference to the number of Partnership Units it holds (in order to reflect any split in the voting of unit holders (being Capital & Regional Units LLP and Capital & Regional (Europe Holding 5) Limited) in the Mall Unit Trust). Given that the Group is the owner of 100 per cent. of the units in the Mall Unit Trust, the Borrower may seek to simplify the Partnership Agreement, make changes to the composition of the board of directors of the General Partner and/or seek the replacement or retirement of the Fund Manager and the transfer of some or all of its responsibilities to the General Partner or Property Manager. In addition, similar simplifications and amalgamation of roles may be effected within the Mall Unit Trust and Camberley Unit Trust.

Under the Partnership Agreement, ordinary resolutions of the Borrower (**Borrower Ordinary Resolutions**) require the approval of the Limited Partner in respect of more than 50 per cent. of its aggregate Partnership Units, and special resolutions of the Borrower (**Borrower Special Resolutions**) require the approval of the Limited Partner in respect of at least the Partnership Relevant Percentage of its aggregate Partnership Units, provided that the Limited Partner is not entitled to vote on a resolution in relation to which it is an Interested Partner.

For the purposes of the above:

Interested Partner means in relation to a resolution under consideration, a limited partner in respect of which such matter is a Conflict Matter in relation to it or its associates or connected persons.

Conflict Matter means:

- (a) the removal and replacement of the General Partner;
- (b) the removal and replacement of the Property Manager;
- (c) the removal and replacement of the Fund Manager;
- (d) disposals of any partnership assets with a value exceeding £1 million to the Fund Manager or its associates or any fund advised by the Fund Manager or its associates;
- (e) amending or replacing the agreements under which the Fund Manager and Property Manager are appointed so as to increase the fees payable by the Borrower to the Fund Manager and/or the Property Manager; and

- (f) the appointment of a new fund manager,

where the Property Manager or the Fund Manager (or any of their associates or connected persons) or any person having control of General Partner is a limited partner.

Partnership Relevant Percentage means 85 per cent., save that, where the aggregate holding of units in the Mall Unit Trust of any associate of the Property Manager and the Fund Manager falls below 70.8 per cent., the Partnership Relevant Percentage shall be reduced by 0.0131 per cent. for each 0.01 per cent. by which that aggregate holding falls below 70.8 per cent., but it shall not be less than 75 per cent.

The Partnership Agreement requires:

- (a) the articles of association of the General Partner to ensure that:
- (i) two independent directors (who must be free from any material business relationship with any holders of units in the Mall Unit Trust) are appointed to the board of the General Partner, who must be approved (and may be removed) by the Limited Partner;
 - (ii) the maximum number of directors is seven;
 - (iii) the chairman shall be an independent director (who shall have a casting vote in the event of there being an equal number of directors' votes for and against a directors' resolution); and
 - (iv) one director is appointed to the board of the General Partner (who must be free from any material business relationship with any associate of the Fund Manager or the Property Manager), who must be approved (and may be removed) by the Limited Partner (on the basis of votes that do not comprise interests held directly or indirectly by the Fund Manager or the Property Manager); and
- (b) that the articles of association of the General Partner may not be altered except in accordance with, or to reflect, the above provisions and the terms of a governance agreement in respect of the General Partner dated 17 September 2014 between the General Partner and its sole shareholder.

The General Partner may be replaced as general partner by the Limited Partner by Borrower Special Resolution if the General Partner is in material breach of the Partnership Agreement (which is not remedied within 10 business days of a request by the Limited Partner) or it suffers an insolvency event.

Under the Partnership Agreement, net income and net income loss are allocated between the Partners *pro rata* to their Partnership Units quarterly, and net realised capital gain and net realised capital loss are allocated between the Partners *pro rata* to their Partnership Units at the end of the month following any disposal giving rise to such net realised capital gain or net realised capital loss.

Net income shall be allocated and distributed quarterly, subject to (i) any financing agreements, (ii) paying indemnities (as set out below), and (iii) creating or increasing a reserve. Capital proceeds shall be applied (subject to any financing agreements) (i) in repayment of borrowings, (ii) in paying indemnities, (iii) creating or increasing a reserve, (iv) in making distributions to Partners (*pro rata* to their holding of Partnership Units) in respect of profits realised on disposals, and (v) in repayment to Partners (*pro rata* to their holding of Partnership Units) of advances (and thereafter in repayment of capital contributions). The Fund Manager may withhold capital proceeds from distributions to the

extent identified for reinvestment, capital expenditure or to prepay borrowings. No distribution may be made if it would (i) render the Borrower insolvent, (ii) create an overdrawn current, capital or advance account of any Partner, (iii) be in breach of any financing agreement, or (iv) if the Borrower has insufficient cash without resorting to borrowing to make the payment.

The Partnership Agreement contains certain customary indemnities under which each of the General Partner, the Fund Manager and each of their respective directors, officers and employees are indemnified out of the partnership assets in respect of certain liabilities which might be incurred in the performance of the duties of the Fund Manager and General Partner (save where such liabilities result from the indemnified party's fraud, negligence, wilful misconduct, bad faith, reckless disregard for or breach of its obligations and duties in relation to the Borrower) and in respect of certain tax liabilities.

A transfer of Partnership Units by the Limited Partner is permitted subject to certain restrictions including the requirement to enter into a deed of adherence, the requirement for the number of limited partners not to exceed one, and subject to not breaching any financing agreement or applicable law.

Borrower's covenants under the Finance Documents in respect of partnership arrangements

Each of the Borrower and the General Partner have covenanted, amongst other things, in the Mall Facility Agreement that:

- (a) they will each comply in all material respects with all their respective obligations under the Partnership Agreement, the Declarations of Trust, the Limited Partnerships Act 1907 and any other law which applies to limited partnerships; and
- (b) they will ensure no new limited partner shall be admitted as a limited partner under the Partnership Agreement.

The General Partner has covenanted not to, without the prior written consent of the Mall Loan Facility Agent, voluntarily withdraw or retire from the Borrower. The Borrower has covenanted not to, without the prior written consent of the Mall Loan Facility Agent, dismiss the General Partner or appoint any alternative or additional general partner.

Indebtedness

Save as disclosed in this Offering Circular (including repayment of advances (being amounts owed to the Limited Partner)), as at the date of this Offering Circular, the Borrower has no loan capital outstanding, no material borrowings and/or indebtedness and/or contingent liabilities or outstanding guarantees. As a partnership, the Borrower has no authorised or issued share capital.

Audited financial statements and auditors

Audited financial statements of the Borrower for the years ending 31 December 2012 and 31 December 2013 are set out in Appendix 4 (Borrower 2012/2013 Audited Financial Statements) to this document.

The General Partner has confirmed that:

- (a) there has been no material adverse change to the prospects of the Borrower since the date of its last published audited financial statements; and
- (b) save as set out in the section entitled "Internal valuation" below, there has been no significant change in the financial or trading position of the Borrower since the date of its last published audited financial statements.

Deloitte LLP, with its registered office at 2 New Street Square, London EC4A 3BZ is the auditor of the Borrower. Deloitte LLP is a registered auditor and is authorised by, and a member of, the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

Internal valuation

An RNS announcement released on 8 October 2014 by Capital & Regional (as set out in Appendix 6 (Internal Valuation RNS)) noted that an internal valuation undertaken by external valuers (not Savills) for the Group as at 30 September 2014 (the **Internal Valuation**) showed the aggregate market value of the Properties as £723,000,000 which is an increase of £48,600,000 as compared to the market value of the Properties as set out in the OC Valuation. As the Internal Valuation is not itself publicly available, there is no evidence publicly available to support the valuation referred to in the announcement.

No litigation

The Borrower is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Borrower is aware) which may have or have had since the date of its establishment a significant effect on the Borrower's financial position.

The General Partner

General

The Mall (General Partner) Limited is a limited liability company incorporated in England and Wales on 29 November 2001 under the Companies Act 2006 with company registration number 4331119. The address of the registered office of the General Partner, which is also the address of the directors of the General Partner, is 52 Grosvenor Gardens, London SW1W 0AU and its telephone number is +44(0)207 932 8000.

The General Partner owns 0.04 per cent. of the net asset value of the Borrower. It is wholly owned by Capital & Regional (Mall GP) Limited.

Principal activities

The principal objects of the General Partner, as further set out in its memorandum of association, are, among others:

- (a) to act as a general partner of limited partnerships;
- (b) to act as a holding company;
- (c) to carry on the business of holding, dealing with, investing, managing, buying, selling and leasing any right or interest in, over or upon any real property;
- (d) to carry on the business of an investment holding company;
- (e) to issue securities, financial instruments and derivative contracts;
- (f) to raise or borrow money and to grant security over its assets for such purposes; and
- (g) to lend money with or without security.

Since the date of its incorporation, the General Partner has engaged in activities or operations relating to its role as general partner of the Borrower, including ensuring that the investments held by the Borrower are always operated and administered by a fund manager authorised to do so under FSMA. It, or certain nominees, hold the title to the assets of the Borrower, including without limitation, the Properties, on behalf (directly or indirectly) of the Borrower. In connection with the transactions described in this Offering Circular, the General Partner has entered into certain of the Finance Documents and Mall Loan Security Documents, all as more particularly described in this Offering Circular.

The only other activities in which the General Partner has engaged are those incidental to its incorporation and registration, the matters referred to or contemplated in this Offering Circular and the authorisation, execution, delivery and performance of the other documents referred to in this Offering Circular to which it is a party and matters which are incidental or ancillary to the foregoing.

Management

As at the date of this Offering Circular, the directors of the General Partner are Hugh Scott-Barrett, Mark Bourgeois, Sir Robert Finch (chairman) and Charles Staveley. Hugh Scott-Barrett, Mark Bourgeois and Charles Staveley are employed by an entity within the C&R PLC corporate group.

The directors of the General Partner may from time to time act as directors, or be otherwise involved in, other companies which have similar objectives to those of the General Partner and/or Borrower. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the General Partner and/or the Borrower. Each will respectively endeavour to ensure that such conflicts are resolved fairly in accordance with the obligations applicable to such party.

The company secretary is Stuart Wetherly.

Capitalisation and indebtedness

The capitalisation of the General Partner as at the date of this Offering Circular is as follows:

Share Capital

	Capital & Regional (Mall GP) Limited
	£
Authorised:	
500 ordinary 'A' ordinary shares of £1 nominal value each	500
500 ordinary 'B' ordinary shares of £1 nominal value each	500
	<u>1,000</u>
Allotted, called up and fully paid:	
500 ordinary 'A' ordinary shares of £1 nominal value each	500
500 ordinary 'B' ordinary shares of £1 nominal value each	500
	<u>1,000</u>

Save for the foregoing, at the date of this document, the General Partner has no borrowings or indebtedness in the nature of borrowings (including loan capital issued, or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Audited financial statements and auditors

Audited financial statements for the General Partner for the years ending 31 December 2012 and 31 December 2013 are set out at Appendix 5 (General Partner 2012/2013 Audited Financial Statements) to this document.

The General Partner has confirmed that there:

- (a) has been no material adverse change to the prospects of the General Partner since the date of its last published audited financial statements; and
- (b) has been no significant change in the financial or trading position of the General Partner since the date of its last published audited financial statements.

Deloitte LLP, with its registered office at 2 New Street Square, London EC4A 3BZ is the auditor of the General Partner. Deloitte LLP is a registered auditor and is authorised by, and a member of, the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

No litigation

The General Partner is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the General Partner is aware) which may have or have had since the date of its incorporation a significant effect on the General Partner's financial position.

The Limited Partner

General

The Limited Partner is BNP Paribas Jersey Trust Corporation Limited in its capacity as sole trustee of the Mall Unit Trust. Its registered office is BNP Paribas House, Anley Street, St Helier, Jersey JE2 3QE and its telephone number is +44 (0) 1534 815200. The Mall Unit Trust operates as a "feeder fund" and its sole purpose is the investment in the Borrower. The Limited Partner has no role in the management of the Borrower. The Limited Partner holds 99.96 per cent. of the net asset value of the Borrower on trust for, *inter alios*, Capital and Regional Units LLP and Capital & Regional (Europe Holding 5) Limited as beneficiaries of the Mall Unit Trust.

Principal activity

The business of the Limited Partner is to act as a limited partner of, and to invest in, the Borrower.

Management

The Mall Unit Trust is managed by Aviva Investors Jersey Unit Trusts Management Limited.

DESCRIPTION OF THE INITIAL SERVICER AND THE INITIAL SPECIAL SERVICER

Mount Street Mortgage Servicing Limited (**Mount Street**), a limited liability company incorporated in England (registered number 3411668) whose registered office is 26 Red Lion Square, London WC1R 4AG, will act as Servicer and Special Servicer in respect of the Securitised Loan and its related security.

Mount Street is an independent company specialising in loan servicing, due diligence, facility agent roles, security trustee roles and underwriting, with offices in London and Frankfurt.

The Mount Street team have an established track record as a servicer and special servicer, having managed commercial mortgage backed securitisations across multiple lending platforms since 1997.

Mount Street and its affiliates are responsible for more than £10 billion of commercial real estate debt (both CMBS and balance sheet positions) for lenders throughout Europe and they currently act as primary and/or special servicer on 10 CMBS transactions.

As at the date of this Offering Circular, Mount Street was rated AVERAGE by S&P.

**DESCRIPTION OF THE NOTE TRUSTEE, THE ISSUER SECURITY TRUSTEE, THE
ISSUER CASH MANAGER AND THE ACCOUNT BANK**

**U.S. BANK TRUSTEES LIMITED/ELAVON FINANCIAL SERVICES LIMITED,
U.K. BRANCH**

U.S. Bank Global Corporate Trust Services, which is a trading name of Elavon Financial Services Limited (a U.S. Bancorp group company), is an integral part of the worldwide corporate trust business of U.S. Bank. U.S. Bank Global Corporate Trust Services in Europe conducts business primarily through the U.K. Branch of Elavon Financial Services Limited from its offices in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services Limited is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services Limited is authorised by the Central Bank of Ireland and the activities of its U.K. Branch are also subject to the limited regulation of the U.K. Financial Conduct Authority and Prudential Regulation Authority.

U.S. Bank Trustees Limited is a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, London EC2N 1AR.

U.S. Bank Global Corporate Trust Services in combination with U.S. Bank National Association, the legal entity through which the corporate trust division conducts business in the United States, is one of the world's largest providers of trustee services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of 48 U.S.-based offices, an Argentinean office and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB), with USD364 billion in assets as of 31 December 2013, is the parent company of U.S. Bank, the fifth largest commercial bank in the United States. The company operates 3,081 banking offices in 25 states with 4,906 ATMs and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions.

DESCRIPTION OF THE PORTFOLIO

All of the information in this “Description of the Portfolio” section is current as at the Cut-Off Date.

The below description of the Portfolio is largely based on information obtained from the Group, the Obligors, and the OC Valuation.

Ownership structure of the Properties

The Properties are held under various trust structures with the legal and beneficial interests split as follows (as described in the property due diligence report prepared by the Original Lender’s solicitors):

- (a) *Blackburn, Luton and Maidstone*: legal title to each of these Properties is held by Mall Nominee One Limited and Mall Nominee Two Limited on trust for the Borrower beneficially.
- (b) *Camberley*: legal title is held:
 - (i) in respect of the majority of this Property, by PTL and PPTL on trust for the benefit of the Camberley Unit Trust, the units of which are held by the Borrower (99.99 per cent.) and Capital & Regional Jersey Limited (0.01 per cent.); and
 - (ii) in respect of two titles (being the remainder of the Property), by Mall Nominee One Limited and Mall Nominee Two Limited on trust for the Borrower beneficially.
- (c) *Walthamstow*: legal title is held by Wood Green One Limited and Wood Green Two Limited, whilst the beneficial interest is stated to be held by the original seller on bare constructive trust for the Borrower. The original seller has been dissolved but the Tax and Structure Opinion states that such circumstances should not change the Borrower’s beneficial entitlement and that, although a restructuring could be effected to create a clear trustee ownership structure, such action might attract a potential stamp duty liability (see comments under subparagraph (a) of the risk factor entitled “Due diligence in relation to the Properties” within the section entitled “Risk Factors”).
- (d) *Wood Green*: legal title is held by Selborne One Limited and Selborne Two Limited, whilst the beneficial interest is stated to be held by the original seller on bare constructive trust for the Borrower. The original seller is currently in liquidation but, as with the Walthamstow Property, the Tax and Structure Opinion states that such circumstances should not change the Borrower’s beneficial entitlement and that, although a restructuring could be effected to create a clear trustee ownership structure, such action might attract a potential stamp duty liability (see comments under subparagraph (a) of the risk factor entitled “Due diligence in relation to the Properties” within the section entitled “Risk Factors”).

General

The Portfolio comprises of six shopping centre assets (the Camberley Property, the Blackburn Property, the Luton Property, the Maidstone Property, the Wood Green Property and the Walthamstow Property) with a total lettable space of over 3 million square feet and in excess of 700 retail units.

As at 25 March 2014, the aggregate value of the portfolio was £674,400,000 (as per the OC Valuation), which represents an average capital value of £211/square feet. Also as per the OC

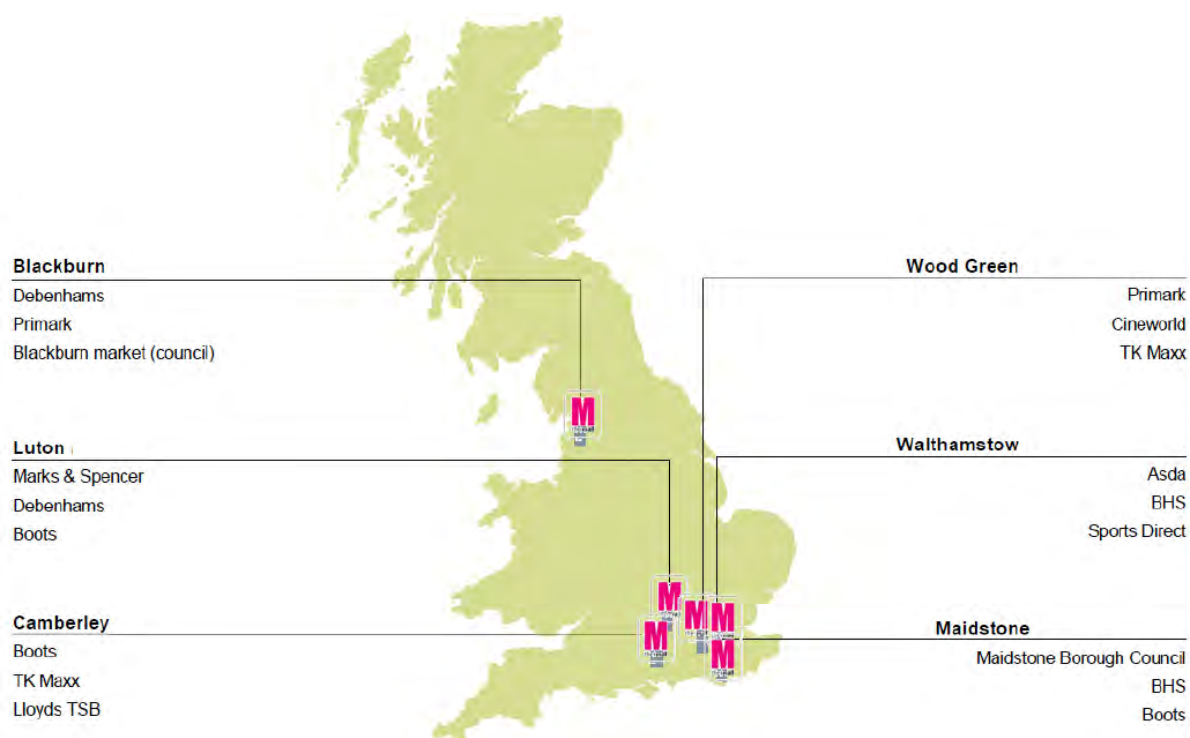
Valuation, the Portfolio produces a net operating income of £48,129,185, which represents a net initial yield of 6.61 per cent. and an average rent of £15/square feet.

As at 31 December 2013, the retail occupancy of the Portfolio was 96.7 per cent. The weighted average unexpired lease term of the Portfolio was 8.3 years. The tenant base was granular, comprising more than 330 tenants across more than 700 retail units. The top 10 tenants accounted for approximately 22 per cent. of the gross income profile, with the largest tenant, Boots, contributing 3.54 per cent. of the total gross rent.

Rank	Tenant Entity	Aggregate Rent (£)	Percentage of Portfolio Gross Income	Cumulative Percentage of Gross Income
1	Boots UK Limited	2,004,000	3.54%	3.54%
2	Debenhams Properties Limited	1,760,534	3.11%	6.65%
3	Primark Stores Limited	1,745,750	3.08%	9.74%
4	H&M Hennes & Mauritz UK Limited	1,165,000	2.06%	11.79%
5	New Look Retailers Limited	1,152,500	2.04%	13.83%
6	BHS Limited	1,030,000	1.82%	15.65%
7	Wilkinson Hardware Stores Limited	959,000	1.69%	17.34%
8	Maidstone Borough Council	957,780	1.69%	19.03%
9	Sportsdirect.com Retail Limited	836,500	1.48%	20.51%
10	WH Smith Retail Holdings Limited	836,450	1.48%	21.99%

Source: Savills

Geographically, these assets are primarily located in the South East of England. The chart below illustrates the various asset locations and key tenants for each asset.



The Mall, Blackburn

The Mall, Blackburn is a leasehold, partially covered, shopping centre on two floors. It contains 107 retailers, with principal occupiers including Debenhams, Primark, H&M, Next, Boots, Argos and BHS. The shopping centre has 600,000 square feet of lettable space following the completion by the Group of an extension and refurbishment of the centre in 2011, which improved the scheme's market share within its sub-region, driving occupancy and income. Prior to this investment the centre suffered from poor pedestrian flow and an unattractive retail environment. The £46,700,000 million project involved the introduction of Primark as an anchor with other retailers, such as Top Shop and River Island, expanding their stores. Annual footfall is now 8 per cent. higher than the pre-development level. As a result, footfall grew by almost 10 per cent. from 2010 to 2011.

During 2013, new lettings were agreed with Schuh, Card Factory, Shoe Zone, Toymaster, Perfect Home and Waterstones and a proposal for what would have been a competing out-of-town retail park proposal was rejected by the Court of Appeal.

£5,000,000 of capital expenditure projects have been identified for the Mall, Blackburn, with initiatives including the leasing of key voids and the amalgamation of 10 shop units to form a 10,000 square foot gym, three new retail units and an improved entrance to the centre.

The Mall, Camberley

The Mall, Camberley is a part leasehold covered shopping centre on one floor. It contains 120 retailers, with principal occupiers including House of Fraser, Top Shop, Boots, Primark, Sainsbury's, Argos and River Island. The shopping centre has 390,000 square feet of lettable space and is located in an affluent South East catchment area. The Group believes that the shopping centre offers a development opportunity to reposition and create a 290,000 square feet extension.

During 2013, a new 20,000 square feet TK Maxx unit was let, following the amalgamation and extension of four units. An adjoining 6,000 square feet unit has also been let to Deichmann.

£3,200,000 of capital expenditure projects have been identified for The Mall, Camberley, with initiatives including the delivery of new lettings, unit amalgamations, the reconfiguration of the main square and the delivery of the requisite development agreements.

The extension opportunity is being developed in parallel with a full refurbishment of the shopping centre. Funding for the scheme is being worked up by way of a development agreement which is being negotiated with the centre's local authority alongside discussions with a major department store to become an anchor tenant.

The Mall, Luton

The Mall, Luton is a leasehold covered shopping centre on two floors, with offices extending to over 65,000 square feet. It contains 135 retailers, with principal occupiers including Debenhams, Boots, Primark, H&M, Next, Top Shop, M&S, Wilkinson and TK Maxx. The shopping centre has 900,000 square feet of lettable space and is located within a thriving London satellite town with a growing population.

During 2013, a new 7,000 square feet River Island and a new 6,000 square feet Deichmann Shoes unit were let, as well as a resized Clintons unit.

£1,700,000 of capital expenditure projects have been agreed for The Mall, Luton and a further £12,100,000 of initiatives identified, including a possible 80,000 square feet leisure or retail opportunity at the existing market hall, a refurbishment and re-let of the 60,000 square feet of office

space, a joint initiative currently being discussed with the shopping centre's local authority with regard to adjoining land to the north of the shopping centre, and further leasing to key retailers to further build the fashion mix.

The Mall, Maidstone

The Mall, Maidstone is a freehold covered shopping centre on three floors with offices extending to 40,000 square feet. It contains 95 retailers, with principal occupiers including Boots, BHS, New Look, Wilkinson, Next and Sports Direct. The shopping centre has 500,000 square feet of lettable space and is located within a vibrant South East town. Strong population growth is forecast, and as a result Maidstone Council has said that approximately 300,000 square feet of additional retail space is required within the town centre by 2031.

During 2013, a five year lease extension was exchanged with Next in anticipation of scheme improvements.

£7,700,000 of capital expenditure projects have been agreed, with initiatives including a planned refurbishment and repositioning in the second half of 2014 and a reconfiguration of unit space to secure a significant new anchor tenant.

In partnership with the shopping centre's local authority, a potential 300,000 square feet extension for retail, leisure or residential use is being planned for The Mall, Maidstone. Public consultation on the scheme is ongoing.

The Mall, Walthamstow

The Mall, Walthamstow is a freehold covered shopping centre on two floors. It contains 60 retailers, with principal occupiers including Asda, BHS, Boots, New Look, River Island and Top Shop. The shopping centre has 260,000 square feet of lettable space and is anticipated to benefit from the changing demographic of local shoppers.

£7,700,000 of capital expenditure projects are currently in progress, including a reconfiguration and increase in unit size agreed with Sports Direct and a reconfiguration of existing units for a new 26,000 square feet store currently being negotiated with a leading fashion retailer.

A further £14,200,000 of capital expenditure projects have been identified for The Mall, Walthamstow, including a major refurbishment which commenced in July 2014 and a potential 80,000 square feet leisure or retail scheme extension.

The Mall, Wood Green

The Mall, Wood Green is a freehold, partially open, shopping centre, on two floors with nearly 40,000 square feet of offices. It contains 90 retailers, with principal occupiers including Primark, Wilkinson, H&M, Boots, Argos, TK Maxx, WH Smith, New Look and Next. The shopping centre has 550,000 square feet of lettable space and also contains a 12 screen cinema and leisure complex.

During 2013, Morrisons let a unit previously let to HMV, an extension of TK Maxx into a former Peacocks unit was agreed and discussions with two national retailers are on-going relating to increases in unit size.

£7,300,000 of capital expenditure projects have been agreed, including a reconfiguration of upper floor units and the potential introduction of a supermarket on a vacant former garage site. The potential introduction of a hotel operator to existing office accommodation is also being assessed and

there is close cooperation with the shopping centre's local authority on a plan targeting retail, leisure and residential expansion for this busy London retail centre.

Selected pictures of Properties within the Portfolio



The Mall, Blackburn



The Mall, Camberley



The Mall, Luton



The Mall, Maidstone



The Mall, Walthamstow



The Mall, Wood Green

MANAGEMENT AND ADMINISTRATION OF THE PROPERTIES

Roles

Property Manager

The Property Manager has been appointed:

- (a) by the Borrower pursuant to a property and asset management agreement between, among others, the Property Manager and the Borrower (acting by the General Partner), originally dated 28 February 2002, as amended from time to time, to provide certain property investment, management advice and management services in relation to the Properties owned by the Borrower (the **Mall Management Agreement**); and
- (b) by the Camberley Trustees under an asset management agreement between the Property Manager, the Camberley Trustees, the Fund Manager and C&R PLC dated 4 February 2005, as amended from time to time, to provide investment advisory services and management services to the Camberley Unit Trust (the **Camberley Management Agreement** and together with the Mall Management Agreement, the **Property Management Agreements**).

Fund Manager Agreement and Investment Management Agreement

The Fund Manager has been appointed pursuant to a fund manager's agreement between the Borrower (acting by the General Partner) and the Fund Manager, originally dated 25 January 2002, as amended from time to time, to provide, amongst other things, general corporate services and to monitor and report on the performance of the Properties owned by the Borrower (the **Fund Manager Agreement**). The Fund Manager has responsibility for the management, control and operation of the business and affairs of the Borrower, except for those responsibilities which are undertaken by the Property Manager pursuant to the Mall Management Agreement or reserved to the General Partner.

The Fund Manager has also been appointed pursuant to an investment management agreement between, among others, the Camberley Trustees and the Fund Manager dated 4 February 2005, as amended from time to time (the **Investment Management Agreement**), to, amongst other things, provide investment advice to the Camberley Unit Trust and to review and approve certain of the Property Manager's recommendations made under the Camberley Management Agreement.

Duties

Property Manager duties

Examples of the duties of the Property Manager pursuant to the relevant Property Management Agreement include the collection of rent, service charges, insurance refunds and all other sums due from tenants and general management of the relevant Properties, the negotiation of lease terms with potential tenants and the monitoring and taking of appropriate action to ensure that the tenants covenants in respect of repair and maintenance are observed.

Throughout the term of each Property Management Agreement, the Property Manager shall provide written reports to the Fund Manager and the Borrower (in the case of the Mall Management Agreement) or to the Fund Manager (in the case of the Camberley Management Agreement) detailing the implementation of the business plan and such financial information as is required for the Borrower under the terms of the Partnership Agreement (in the case of the Mall Management Agreement) or as is required for the Camberley Unit Trust pursuant to the Camberley Trust Instrument (in the case of

the Camberley Management Agreement) and/or such other financial information as is requested by the Fund Manager.

Pursuant to the duty of care agreement dated 30 May 2014 between the Property Manager, the Borrower, the Camberley Trustees, the Fund Manager, C&R PLC and the Mall Loan Facility Agent (the **Property Manager Duty of Care Agreement**), the Property Manager has undertaken to exercise all skill, care and diligence as would be expected from a reasonably qualified and competent property manager in performing its obligations under the relevant Property Management Agreement and to comply in full with the terms of, and to fulfil its obligations as set out in, the relevant Property Management Agreement.

The Property Manager has also undertaken to, amongst other things:

- (a) hold all amounts of Rental Income received by it on trust for the Borrower with no right of set-off or deduction in respect of the Rental Income;
- (b) promptly collect and pay all Rental Income immediately on receipt into the relevant Collection Account; and
- (c) pay all Swept Rental Income received by it into the Cash Management Account on the last Business Day of each Month and on the Business Day immediately preceding each Mall Loan Payment Date without any withholding, set-off or counterclaim.

Fund Manager duties

The duties of the Fund Manager pursuant to the Fund Manager Agreement include responsibility for the management, control and operation of the business and affairs of the Borrower, except for those responsibilities to be undertaken by the Property Manager pursuant to the Mall Management Agreement or those powers, rights and discretions which are reserved to the General Partner under the Camberley Trust Instrument, the Investment Management Agreement and the Mall Management Agreement.

The duties of the Fund Manager under the Investment Management Agreement include reviewing and approving certain of the Property Manager's recommendations made under the Camberley Management Agreement and, taking into account the recommendations of the Property Manager, making appropriate recommendations to the Camberley Trustees in respect of such matters.

Remuneration

Property Manager

The management fee payable to the Property Manager by the Borrower under the Mall Management Agreement (as set out in that agreement) is payable quarterly in arrear on 31 March, 30 June, 30 September and 31 December during the term of the appointment. In addition, project co-ordinator's fees may be payable to the Property Manager in the circumstances and on the terms as set out in the Mall Management Agreement.

Procurement fees and ancillary incomes may be payable by the Borrower to the Property Manager on a case-by-case basis. A performance fee may also be payable by the Borrower to the Property Manager in the circumstances and on the terms as set out in the Mall Management Agreement.

Under the Camberley Management Agreement, the Property Manager is entitled to a leasing fee, which is calculated on a sliding scale as a certain percentage of the rent (depending on whether the lease in question is a new lease or a renewed lease). The leasing fee is payable as to 50 per cent. 10

Business Days after exchange of agreements for the lease and as to 50 per cent. 10 Business Days after completion of the lease.

The Property Manager, subject to attaining a certain minimum percentage increase in rent, is also entitled to a rent review fee, which is calculated on a sliding scale as a certain percentage of the rent and is payable 10 Business Days after the rent review memorandum is signed by the relevant tenant. Fees in relation to lease surrenders and ancillary incomes may be payable to the Property Manager if agreed with the Fund Manager on a case-by-case basis.

Fund Manager

The management fee payable to the Fund Manager by the Borrower under the Fund Manager Agreement (as set out in that agreement) is payable quarterly in arrear on 31 March, 30 June, 30 September and 31 December during the term of the appointment. An administration fee is payable annually in advance by the Borrower to the Fund Manager. A performance fee may also be payable by the Borrower to the Fund Manager in the circumstances and on the terms as set out in the Fund Manager Agreement.

Termination

Termination of the property management arrangements

The Mall Management Agreement

The Borrower is entitled to terminate the Mall Management Agreement by written notice if, among other things:

- (a) the Property Manager commits or permits any act which is illegal, fraudulent or dishonest;
- (b) there is a material or recurring non-material default by the Property Manager or C&R PLC in respect of its obligations under the Mall Management Agreement and, so far as the breach is capable of remedy, the Property Manager or C&R PLC (as the case may be) has failed to start to remedy such breach within 10 Business Days and has failed to remedy such breach within 30 Business Days of notice;
- (c) the Borrower is dissolved;
- (d) the Borrower ceases to hold any Properties;
- (e) (i) the legal and beneficial interest in more than 50 per cent. of the issued share capital of C&R PLC is held by a single entity, or (ii) the legal and beneficial interest in more than 30 per cent. of the issued share capital of C&R PLC is held by a single entity and 50 per cent. or more of the persons who were executive directors of C&R PLC over the previous 12 months cease to be executive directors;
- (f) the Property Manager or C&R PLC has a petition for winding-up lodged against it or calls a meeting of creditors or enters into any arrangement or composition with its creditors (other than for the purposes of solvent restructuring);
- (g) the Property Manager ceases to be a Capital & Regional Group Company; or
- (h) the Property IRR falls below a certain benchmark.

The Property Manager may terminate the Mall Management Agreement by notice in writing:

- (a) if there is a material or recurring non-material default by the Borrower or the Fund Manager of its obligations under the Mall Management Agreement and, insofar as such breach is capable of remedy, the Borrower or the Fund Manager (as the case may be) fails to commence such breach within 10 Business Days of notice from the Property Manager and fails to remedy the breach within 30 Business Days of such notice;
- (b) if all the property assets of the Borrower are sold; or
- (c) an offeror exercises its rights to acquire all of the units in the Mall Unit Trust.

The Camberley Management Agreement

The Camberley Trustees are entitled to terminate the Camberley Management Agreement by written notice if, among other things:

- (a) the Property Manager commits or permits any act which is illegal, fraudulent or dishonest;
- (b) there is a material or recurring non-material default by the Property Manager or C&R PLC in respect of its obligations under the Camberley Management Agreement and, so far as the breach is capable of remedy, the Property Manager or C&R PLC (as the case may be) has failed to start to remedy such breach within 10 Business Days and has failed to remedy such breach within 30 Business Days of notice;
- (c) the Camberley Unit Trust is dissolved;
- (d) the Camberley Unit Trust ceases to hold any Properties;
- (e) the Property Manager or C&R PLC has a petition for winding-up lodged against it or calls a meeting of creditors or enters into any arrangement or composition with its creditors (other than for the purposes of solvent restructuring); or
- (f) the Property Manager ceases to be a Capital & Regional Group Company.

Property Manager Duty of Care Agreement (as it relates to termination of the Property Management Agreements)

Pursuant to the Property Manager Duty of Care Agreement, no Property Manager can exercise a termination right without first giving the Mall Loan Facility Agent at least 28 days' prior written notice, setting out the proposed termination date and the grounds for termination in reasonable detail, including details of any sums then due but unpaid to the Property Manager by the Borrower or the Camberley Trustees.

If the Mall Loan Security Agent has given notice to the Borrower, the Camberley Trustees and the Property Manager that certain security has become enforceable, the Mall Loan Security Agent may immediately terminate the Property Management Agreements, without prejudice to any amounts due and payable to the Property Manager under the relevant Property Management Agreement before the date of termination.

Termination of the Fund Manager Agreement or the Investment Management Agreement

The Borrower is entitled to terminate the Fund Manager Agreement by notice in writing if:

- (a) the Fund Manager is not or ceases to be authorised under FSMA to operate the Borrower;
- (b) the Borrower is wound up;
- (c) the General Partner serves written notice on the Fund Manager in the event there has been a material default by the Fund Manager of its obligations under the Fund Manager Agreement which, if capable of remedy, is not remedied within 30 Business Days of notice requiring such remedy;
- (d) any insolvency event occurs in relation to the Fund Manager;
- (e) the Fund Manager resigns;
- (f) the Fund Manager commits or permits any act which is illegal, fraudulent or dishonest which brings the Fund Manager or the Borrower into disrepute; or
- (g) the Property IRR in any three year rolling period falls below a certain benchmark.

The Camberley Unit Trust is entitled to terminate the Investment Management Agreement by notice in writing if:

- (a) the Camberley Unit Trust is wound up;
- (b) the Camberley Trustees serve written notice on the Fund Manager terminating the Investment Management Agreement if there has been a material default by the Fund Manager of its obligations under the Investment Management Agreement which, if capable of remedy, is not remedied within 30 Business Days of notice requiring such remedy;
- (c) an insolvency event occurs in relation to the Fund Manager; or
- (d) the Fund Manager commits or permits any act which is illegal, fraudulent or dishonest which brings the Fund Manager or the Camberley Unit Trust into disrepute.

Fund manager duty of care agreement

Pursuant to the fund manager duty of care agreement dated 30 May 2014 between the Borrower, the Camberley Trustees, the Fund Manager and the Mall Loan Facility Agent relating to the Fund Manager Agreement and the Investment Management Agreement, the Fund Manager may not suspend the performance of its obligations under, or terminate, either the Fund Manager Agreement or the Investment Management Agreement (as applicable) unless it has given the Mall Loan Security Agent at least 28 days' notice in writing of its intention to do so, setting out reasonable details of the reasons for the intended suspension or termination (or such longer period as required under the Fund Manager Agreement and/or the Investment Management Agreement), and allowing a reasonable opportunity to remedy the causes of the suspension or termination.

If the Mall Loan Security Agent has given notice to the Borrower, the Camberley Trustees and the Fund Manager that certain security has become enforceable, the Mall Loan Security Agent may immediately terminate either the Fund Manager Agreement and/or the Investment Management Agreement, without prejudice to any amounts due and payable to the Fund Manager under the Fund

Manager Agreement and the Investment Management Agreement (as applicable) before the date of termination.

THE ORIGINATION AND DUE DILIGENCE PROCESS

Origination of the Mall Loan

The Original Lender has internal policies and procedures in relation to the granting of credit, the administration of credit risk-bearing portfolios, and risk mitigation. The policies and procedures of the Original Lender in this regard broadly include the following:

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits;
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures; and
- (c) policies and procedures in relation to risk mitigation techniques.

Due diligence

The Properties were evaluated by carrying out legal and non-legal due diligence which is customary for a financing of this nature.

Such due diligence included environmental, tax, technical, mechanical, electrical and insurance broker's reports, the Former Valuation and a real estate due diligence report prepared by the Original Lender's solicitors which summarised, amongst other things, the key issues arising from the review of the certificates of title in relation to the Properties.

Legal due diligence

The Original Lender's solicitors prepared a due diligence report on the Properties. The report summarised issues contained in certain property due diligence information given in relation to the provision of the Mall Loan. The Borrower's solicitors prepared certificates of title dated 30 May 2014 in respect of each of the Properties. The Original Lender's solicitors' due diligence report stated that these certificates of title were substantially in the form of the City of London Law Society Land Law Committee long form certificate of title (seventh edition), save in relation to:

- (a) construction: the certificates of title only report on agreements, warranties and guarantees relating to construction projects that have a value of more than £500,000 and that occurred in the last six years;
- (b) planning: the certificates of title do not cover certain planning matters which might be considered de minimis; and
- (c) letting documents: the certificates of title only report on letting documents to the extent that the annual rent is equal to or greater than £100,000 per annum.

The Original Lender's solicitors due diligence report reviewed the certificates of title prepared by the Borrower's solicitors, certain trust documents, an older version of the structure chart set out in the section entitled "Group Structure Diagram" and the Property Management Agreements.

For details on the material issues identified in respect of the Properties in the due diligence report, see the risk factor entitled "Due diligence in relation to the Properties" in the section entitled "Risk Factors".

Non-legal due diligence

(a) Valuation

Prior to advancing the Mall Loan, an Affiliate of Savills was engaged to carry out an independent valuation of the Properties as at 25 March 2014 (the **Former Valuation**). The Former Valuation does not form part of this Offering Circular and no reliance may be placed on it by, and Savills and its Affiliates accept no responsibility for it to, prospective investors.

Savills was separately engaged to provide the OC Valuation, based on the same valuation date of 25 March 2014.

There can be no assurance that another valuer would have arrived at the same opinion of value or that the value of the Properties has not changed since 25 March 2014 (the valuation date set out in the OC Valuation). See the risk factor entitled “Limitations of valuations” within the section entitled “Risk Factors” above.

There has been no re-valuation of the Properties since the valuation date set out in the OC Valuation (being, 25 March 2014) for the purposes of the issue of the Class A Notes.

(b) Environmental, technical and mechanical and electrical services reports

(i) *Environmental assessments*

All of the Properties were, prior to origination of the Mall Loan, subject to environmental assessments. Prospective Class A Noteholders should refer to the risk factor entitled “Risks relating to environmental laws” within the section entitled “Risk Factors” above. There can be no assurance that all environmental conditions and risks were identified.

(ii) *Technical due diligence*

All of the Properties were, prior to origination of the Mall Loan, subject to technical due diligence. There can be no assurance that all technical risks were identified.

(iii) *Mechanical and electrical services due diligence*

All of the Properties were, prior to origination of the Mall Loan, subject to mechanical and electrical due diligence. There can be no assurance that all risks relating to the mechanical and electrical services of the Properties were identified.

THE KEY CHARACTERISTICS OF THE MALL LOAN SECURITY

Mall Loan Security

Creation of security

The obligations of the Obligors under the Finance Documents are secured by the following security interests created under the Mall Loan Security Documents:

(a) *English law security*

The English law security agreements are as follows:

- (i) a security agreement dated 30 May 2014 and made between the Borrower, The Mall (General Partner) Limited, PPTL and PTL (acting in their capacity as trustees of the Camberley Unit Trust,) Selborne Walthamstow Limited, Selborne One Limited, Selborne Two Limited, Wood Green London Limited, Wood Green One Limited, Wood Green Two Limited, Mall Nominee One Limited, Mall Nominee Two Limited, Capital & Regional (Mall GP) Limited and the Mall Loan Security Agent;
- (ii) a limited partnership security deed dated 30 May 2014 and executed between BNPTC (acting as trustee of the Mall Unit Trust), The Mall (General Partner) Limited and the Mall Loan Security Agent. The recourse of the Finance Parties to the Limited Partner under the limited partnership security deed is limited to the assets of the Limited Partner which are secured under that agreement;
- (iii) in relation to the security agreement referred to in subparagraph (i) above, a deed of confirmation dated 30 May 2014 and executed between the Borrower, The Mall (General Partner) Limited, PPTL and PTL (acting in their capacity as trustees of the Camberley Unit Trust), Selborne Walthamstow Limited, Selborne One Limited, Selborne Two Limited, Wood Green London Limited, Wood Green One Limited, Wood Green Two Limited, Mall Nominee One Limited, Mall Nominee Two Limited, Capital & Regional (Mall GP) Limited and the Mall Loan Security Agent; and
- (iv) in relation to the limited partnership security deed referred to in subparagraph (ii) above, a deed of confirmation dated 30 May 2014 and executed between BNPTC (acting as trustee of the Mall Unit Trust), The Mall (General Partner) Limited and the Mall Loan Security Agent,

(each, an **English Security Agreement** and, together, the **English Security Agreements**).

Under the English Security Agreements, each Obligor granted the following security:

- (i) a first legal mortgage or first legal charge, as applicable, over all its estates or interests in any freehold or leasehold property owned by it as at the date of the relevant English Security Agreement or subsequently owned by it;
- (ii) a first legal mortgage or first fixed charge, as applicable, over its interests in all shares, stocks, debentures or other bonds, securities or investments owned by it or held by any nominee on its behalf;
- (iii) a first fixed charge over all plant and machinery owned by it and its interest in any plant or machinery in its possession;

- (iv) a first fixed charge over all of its rights in respect of any amount standing to the credit of any account it has with any person and the debt represented by it;
- (v) to the extent not effectively assigned under the security agreement a first fixed charge over any contract of insurance, Material Contracts, Material Leases or Hedging Agreements to which it is a party and the proceeds and the receivables under any Material Lease;
- (vi) a first fixed charge over the proceeds of and the receivables under any Lease Document;
- (vii) a first fixed charge over all rights, title and interest in the construction contracts;
- (viii) a first fixed charge over the proceeds of and the receivables under any contract of insurance relating to Properties to which it is entitled to
- (ix) a first fixed charge over Rental Income and any claims in respect of Rental Income;
- (x) a first fixed charge over goodwill and rights in relation to its uncalled capital;
- (xi) a first fixed charge over the benefit of all consents and agreements held by it in connection with the use of any of its assets;
- (xii) a first fixed charge over intellectual property;
- (xiii) a first fixed charge over any book and other debts and monetary claims owing to that Obligor;
- (xiv) a first fixed charge over any beneficial interest, claim or entitlement of it to any assets of any pension fund;
- (xv) an absolute assignment, subject to a proviso for re-assignment on redemption, of all its rights under any contract of insurance, Material Contracts, Material Leases or Hedging Agreements;
- (xvi) an absolute assignment, of the receivables under each Material Lease;
- (xvii) a first fixed charge over any beneficial interest, claim or entitlement it has in any pension funds, its goodwill, the benefit of any Authorisation held in connection with its use of any Security Asset, and the right to recover and receive compensation which may be payable to it in respect of any such Authorisation and its uncalled capital;
- (xviii) a first floating charge over all its assets not otherwise effectively mortgaged, charged or assigned by way of a first mortgage, charge or assignment under the relevant English Security Agreement or secured under a Jersey Security Agreement;
- (xix) an absolute assignment of all rights, title and interest in the partnership interest and partnership related rights of each of the Limited Partner and the General Partner; and
- (xx) to the extent not otherwise assigned under the limited partnership security deed, a first fixed charge over all of the rights, title and interest in the partnership related rights of each of the Limited Partner and the General Partner.

(b) *Jersey law security*

The Jersey law security agreements are as follows:

- (i) a security agreement dated 30 May 2014 and made between Capital & Regional Jersey Limited and the Mall Loan Security Agent in relation to units in the Camberley Unit Trust. Pursuant to this agreement, Capital & Regional Jersey Limited created a security interest under the Security Interests (Jersey) Law 2012 in its units in the Camberley Unit Trust;
- (ii) a security agreement dated 30 May 2014 and made between the General Partner as general partner of the Borrower and the Mall Loan Security Agent in relation to units in the Camberley Unit Trust. Pursuant to this agreement, the General Partner created a security interest under the Security Interests (Jersey) Law 2012 in its units in the Camberley Unit Trust;
- (iii) a security agreement dated 30 May 2014 and made between the General Partner in its capacity as general partner of the Borrower in relation to the share capital of Wood Green London Limited. Pursuant to this agreement, the General Partner created a security interest under the Security Interests (Jersey) Law 2012 in the shares in Wood Green London Limited;
- (iv) a security agreement dated 30 May 2014 and made between the General Partner in its capacity as general partner of the Borrower in relation to the share capital of Selborne Walthamstow Limited. Pursuant to this agreement, the General Partner created a security interest under the Security Interests (Jersey) Law 2012 in the shares in Selborne Walthamstow Limited;
- (v) a security agreement dated 30 May 2014 and made between the General Partner in its capacity as general partner of the Borrower and the Mall Loan Security Agent relating to contract rights pursuant to subordinated loan agreements. Pursuant to this agreement, the General Partner created a security interest under the Security Interests (Jersey) Law 2012 in or over all of its present and future rights, title and interest in and to the relevant intercompany loan agreements, including the payment obligations and liabilities of the borrowers under those intercompany loan agreements; and
- (vi) a security confirmation agreement dated 23 September 2014 and made between Capital & Regional Jersey Limited, the General Partner in its capacity as general partner of the Borrower and the Mall Loan Security Agent relating to the security agreements listed in sub-paragraphs (i) to (v) above,

(each, a **Jersey Security Agreement** and, together, the **Jersey Security Agreements**).

Trust arrangements

Pursuant to the Mall Facility Agreement, the Mall Loan Security Agent holds the security created by a Mall Loan Security Document in its favour on trust for the Secured Parties on the terms of the Mall Facility Agreement.

Enforceability

The security under the English Security Agreements is expressed to be immediately enforceable if a Mall Loan Event of Default occurs and is continuing.

The security under the Jersey Security Agreements is expressed to be enforceable if a Mall Loan Event of Default occurs and is continuing and the Mall Loan Security Agent has served a notice on the relevant Obligor specifying such Mall Loan Event of Default.

DESCRIPTION OF THE SECURITISED LOAN SALE DOCUMENTS

Securitised Loan Sale Documents

General

Pursuant to the terms of the Securitised Loan Sale Documents, the Securitised Loan Seller will sell and the Issuer will purchase:

- (a) a 95 per cent. interest in the Fixed Rate Mall Loan (such percentage interest being the Securitised Loan); and
- (b) the Securitised Loan Seller's interest in the Mall Loan Security (being its beneficial interests in the security trusts created over the Mall Loan Security) in so far as it pertains to the Securitised Loan.

Consequently, as at and from the Closing Date, the Issuer will be a Lender under the Mall Facility Agreement. At least a 5 per cent. interest in the Fixed Rate Mall Loan will be retained by the Original Lender. The Issuer will not be purchasing any portion of the Floating Rate Mall Loan (which is tradeable, meaning that the identity of the Lender under the Floating Rate Mall Loan may change from time to time).

Consideration

The initial purchase consideration payable on the Closing Date by the Issuer to the Securitised Loan Seller pursuant to the Securitised Loan Sale Agreement will be approximately £226,508,446.

On each Interest Payment Date, the Issuer will pay to the Securitised Loan Seller, to the extent that the Issuer has funds to do so, an amount by way of Deferred Consideration for the purchase of the Securitised Loan and the related Mall Loan Security. The Deferred Consideration will be payable in accordance with the applicable Issuer Priorities of Payments and will be an amount equal to:

- (a) only in relation to the first Interest Payment Date (on or around 28 January 2015), accrued but unpaid interest or fees on the Securitised Loan up to and excluding the fifth Business Day prior to the Closing Date (the **Accrued Deferred Consideration**);
- (b) all amounts of whatever nature accrued or payable, as applicable, on the Securitised Loan for each Mall Loan Interest Period (excluding principal, Accrued Deferred Consideration, Mall Loan Prepayment Accrued Interest, Mall Loan Prepayment Fees, Mall Loan Fixed Rate Break Costs, Mall Loan Tax Credits and Mall Loan Default Interest but including Surplus Mall Loan Prepayment Accrued Interest, Surplus Mall Loan Prepayment Fees and Deemed Revenue Receipts) less:
 - (i) interest payable on the:
 - (A) Class A Notes (excluding any Class A Additional Interest and any Class A Prepayment Accrued Interest); and
 - (B) Class B Loan (excluding any Class B Prepayment Accrued Interest),each for the corresponding Issuer Debt Interest Period; and

- (ii) (A) prior to the enforcement of the Issuer Security and prior to the service of an Issuer Debt Acceleration Notice, payment of the amounts described in paragraphs (a), (b), (c), (d), (e) and (f) of the Pre-Acceleration Revenue Priority of Payments (see the section entitled “Cashflow and Issuer Priorities of Payments”);
- (B) following the enforcement of the Issuer Security but prior to the service of an Issuer Debt Acceleration Notice, the payment of the amounts described in paragraphs (a), (b), (c), (f), and (k) of the Pre-Acceleration Revenue Priority of Payments (see the section entitled “Cashflow and Issuer Priorities of Payments”); or
- (C) following the service of an Issuer Debt Acceleration Notice, the payment of the amounts described in paragraphs (a), (b), (c) and (i) of the Post-Acceleration Priority of Payments (see the section entitled “Cashflow and Issuer Priorities of Payments”),

(together, the **Quarterly Deferred Consideration**); and

- (c) the balance remaining after application of funds in payment of all items ranking in priority to paragraph (l) of the Pre-Acceleration Revenue Priority of Payments or, as applicable, paragraph (i) of the Post-Acceleration Priority of Payments (see the section entitled “Cashflow and Issuer Priorities of Payments”) (the **Surplus Deferred Consideration**),

(together, the **Deferred Consideration**).

See the section entitled “Cashflow and Issuer Priorities of Payments” for further details.

To the extent that, on any Interest Payment Date, there are insufficient funds to pay the full amount of any Deferred Consideration, the amount of shortfall in the Deferred Consideration (the **Shortfall Deferred Consideration**), will not fall due on that Interest Payment Date. Instead, the Issuer shall create a provision in its accounts for the relevant Shortfall Deferred Consideration on the relevant Interest Payment Date.

Such Shortfall Deferred Consideration 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 funds to do so (after allowing for the Issuer’s liabilities of higher priority in accordance with the relevant Issuer Priority of Payments); and
- (b) the date on which the Class A Notes are due to be redeemed in full, subject to the Conditions.

Perfection of transfer of Securitised Loan

The Mall Loan Facility Agent will undertake to the Securitised Loan Seller that it will, in accordance with the terms of the Mall Facility Agreement, execute the Transfer Certificate on the Closing Date and that it will send a copy of the same to the Borrower.

Representations and Warranties

Neither the Issuer nor the Issuer Security Trustee has made any enquiries, searches or investigations of or in respect of:

- (a) the Borrower, any other Obligor;

- (b) the Securitised Loan or the Mall Loan Security as it pertains to the Securitised Loan;
- (c) the sums receivable under or in respect of the Securitised Loan or the Mall Loan Security;
- (d) the terms and conditions of the Securitised Loan or the Mall Loan Security;
- (e) the creditworthiness of the Borrower or the other Obligors;
- (f) the value, title or condition of any of the Properties; or
- (g) as to compliance with or the validity or enforceability of any of the Mall Loan Security.

The Issuer will rely upon the representations and warranties to be given by the Securitised Loan Seller under the Securitised Loan Sale Agreement and upon the Repeating Representations to be given by the relevant Obligors under the Mall Facility Agreement on the Closing Date.

Subject to the agreed exceptions, materiality qualifications and, where relevant, general principles of law limiting the same, the representations and warranties to be given by the Securitised Loan Seller (other than the representation at paragraph 19 below which is given solely by the Mall Loan Facility Agent) under the Securitised Loan Sale Agreement will include warranties on the following terms (each, a **Securitised Loan Warranty**):

1. Interest is charged on the Securitised Loan at such a rate or rates as may be determined in accordance with the provisions of the Mall Facility Agreement.
2. The Mall Loan has been advanced in full to the Borrower.
3. No Lender is obliged, under the terms of the Mall Facility Agreement, to make any further advance to any Obligor or other party.
4. The Securitised Loan Seller has, since the date of the Securitised Loan was transferred to it, kept full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to the Securitised Loan and which are complete and accurate in all material respects.
5. Each Property is situated in England or Wales.
6. Under the terms of the Mall Facility Agreement, the Repeating Representations are deemed to be given by the relevant Obligors by reference to the facts and circumstances then existing on the Closing Date.
7. So far as the Securitised Loan Seller is aware, no Mall Loan Event of Default which is material in the context of the issuance of the Class A Notes and the borrowing of the Class B Loan has occurred and has not been cured or waived.
8. The Securitised Loan Seller is not aware (from any information received by it in the course of administering the Securitised Loan without further inquiry) of any circumstances giving rise to a material reduction in the market value of the Properties since the most recent funding date of the Mall Loan (other than market forces generally).
9. The Securitised Loan Seller is the sole legal and beneficial owner of the Securitised Loan and is the sole beneficial owner of the interest in the Mall Loan Security in so far as it pertains to the Securitised Loan, in each case free and clear of all encumbrances, claims and equities.

10. The Securitised Loan Seller is entitled, under the terms of the Mall Facility Agreement and subject to the provisions for transfer as set out therein, to enter into the Securitised Loan Sale Documents, to execute and deliver the Transfer Certificate and to transfer the Securitised Loan (and its interest in the Mall Loan Security relating to the same) to the Issuer absolutely.
11. Prior to the advancing of the Mall Loan, to the best of the Securitised Loan Seller's knowledge:
 - (a) the Original Lender commissioned a due diligence procedure which initially, or after further investigation, disclosed nothing which caused it to decline to proceed with the advances on its agreed terms; and
 - (b) the Original Lender (having conducted or procured the undertaking of the due diligence referred to in the section entitled "The Origination and Due Diligence Process") was not aware of any matter or thing affecting the title of the Borrower to any part of the Mall Loan Security which caused it to decline to proceed with the advance or acquisition on its agreed terms.
12. To the best of the Securitised Loan Seller's knowledge (having made no investigation in respect thereof) no report on title given by a lawyer in connection with its origination of the Mall Loan was negligently or fraudulently prepared.
13. To the best of the Securitised Loan Seller's knowledge, the Properties securing the Mall Loan were valued by an independent valuer prior to the advance of the Mall Loan.
14. To the best of the Securitised Loan Seller's knowledge (having made no investigation in respect thereof), the Former Valuation was not fraudulently undertaken by the relevant valuer and the Former Valuation did not fail to disclose any fact or circumstance which, if disclosed, would have caused the Original Lender to decline to proceed with its origination of the Mall Loan.
15. Prior to the date of the origination of the Mall Loan, to the best of the Securitised Loan Seller's knowledge, the origination and advance of the Mall Loan and the grant of the Mall Loan Security (in so far as it pertains to the Securitised Loan) and the circumstances of the Borrower, satisfied in all material respects the applicable parts of the Original Lender's underwriting and lending criteria.
16. The Securitised Loan Seller has performed in all material aspects all of its obligations under or in connection with the Mall Loan and (so far as the Securitised Loan Seller is aware) none of the Obligors have taken or threatened to take any action against the Securitised Loan Seller, the Original Lender, the Mall Loan Facility Agent or the Mall Loan Security Agent for any material failure on the part of the Securitised Loan Seller, the Original Lender, the Mall Loan Facility Agent or the Mall Loan Security Agent under or in respect of the Mall Loan to perform any such obligations.
17. The Securitised Loan Seller is not aware of any litigation or claim calling into question in any material way the Securitised Loan Seller's title to the Securitised Loan or the Mall Loan Security Agent's title to any material part of the Mall Loan Security.
18. The Mall Loan Facility Agent has not received written notice of any default or forfeiture of any Occupational Lease granted in respect of the Properties or of the insolvency of any tenant of the Properties.

19. The Securitised Loan Seller has not received written notice of any default or forfeiture of any Occupational Lease granted in respect of the Properties or of the insolvency of any tenant of the Properties which would, in any case, render the Properties unacceptable as security for the Mall Loan in the context of the applicable lending criteria.
20. To the best of the Securitised Loan Seller's knowledge, prior to making the initial advance under the Mall Loan, no express recommendation was received by the Original Lender from the relevant valuer in connection with its work on the Former Valuation to carry out any further or additional environmental audit, survey or report of the Properties which was not pursued, unless otherwise determined by the Original Lender not to be necessary to perform prior to such origination or acquisition.
21. The legal title to each Property is registered at the land registry with the relevant Obligor as the registered proprietor.
22. To the best of the Securitised Loan Seller's knowledge, the Original Lender has not received written notice and the Original Lender is not aware of (without having made any specific enquiries) the bankruptcy, liquidation, receivership, administration or winding up or of an administrative order or dissolution made against any Borrower or other Obligor.
23. A legal charge has been registered against each Property at the land registry with the Mall Loan Security Agent as the registered proprietor or, where such legal charge has not been registered against a Property, an application to register a legal charge has been submitted to the land registry and the Securitised Loan Seller is not aware of any reason why such legal charge will not be registered against the relevant Property with the Mall Loan Security Agent as the registered proprietor.
24. To the best of the Securitised Loan Seller's knowledge, since the date of origination of the Mall Loan, no amount of principal or interest due from the Borrower has at any time been more than 14 days overdue.

Remedy for Material Breach of Securitised Loan Warranty

In the event of a Material Breach of Securitised Loan Warranty, the Securitised Loan Seller will be required, within 60 days (or such longer period not exceeding 90 days as the Servicer or the Special Servicer, as applicable, (on behalf of the Issuer) may agree) of receipt of written notice of the relevant Material Breach of Securitised Loan Warranty from the Servicer or the Special Servicer, as applicable (on behalf of the Issuer), to remedy the matter giving rise to such breach of representation or warranty, if such matter is capable of remedy.

If a Material Breach of Securitised Loan Warranty is not capable of remedy or is not remedied within the specified period, the Securitised Loan Seller will (subject to the repurchase provision below) be required to indemnify on demand the Issuer against all losses, claims, demands, taxes and all other expenses or other liabilities incurred by the Issuer (such losses, claims, demands, taxes and other expenses or liabilities to be quantified following the enforcement of the Issuer Security), as a result of such Material Breach of Securitised Loan Warranty.

Neither the Issuer nor the Issuer Security Trustee will have any claim in respect of any breach of any Securitised Loan Warranty that is not a Material Breach of Securitised Loan Warranty.

In the event that the Servicer or the Special Servicer (on behalf of the Issuer) makes a demand for indemnity in respect of a Material Breach of Securitised Loan Warranty, the Securitised Loan Seller will be entitled (but will not be obliged), as an alternative to the Securitised Loan Seller being required to indemnify the Issuer, to repurchase the Securitised Loan and the Mall Loan Security

pertaining to it on a date not later than the second Mall Loan Payment Date following the demand. The consideration payable in these circumstances will be an amount equal to the principal balance of the Securitised Loan then outstanding, any accrued but unpaid interest thereon plus all other amounts outstanding to the Issuer as a Finance Party.

A **Material Breach of Securitised Loan Warranty** means a breach of a Securitised Loan Warranty in any material respect where the facts and circumstances giving rise to that breach have a material adverse effect on the ability of the Issuer to make timely payment in full of its obligations under the Class A Notes and the Class B Loan.

DESCRIPTION OF THE MALL FACILITY AGREEMENT

Overview

The Mall Facility Agreement is governed by English law. A summary of the principal terms of the Mall Facility Agreement is set out below. To the extent that any reference is made to the Mall Loan Facility Agent or the Mall Loan Security Agent giving consent, making calculations or exercising any other discretion under the Mall Facility Agreement in respect of the Issuer as a Lender, that consent or other discretion will be given on behalf of the Issuer by the Servicer or, if the Securitised Loan is specially serviced, the Special Servicer.

Origination

The Mall Facility Agreement is comprised of one loan with two separate tranches: Tranche A and Tranche B. Tranche A is comprised of a sterling floating rate term loan (the **Floating Rate Mall Loan**). Tranche B is comprised of a sterling fixed rate term loan (the **Fixed Rate Mall Loan**). Only one Floating Rate Mall Loan and one Fixed Rate Mall Loan may be outstanding at any time.

Each of the Floating Rate Mall Loan and the Fixed Rate Mall Loan were originally advanced by the Original Lender.

Prior to the Closing Date, the Original Lender transferred 95 per cent. of its entire interest in the Fixed Rate Mall Loan to the Securitised Loan Seller (the **Securitised Loan**). On the Closing Date, the Securitised Loan Seller transferred its interest in the Securitised Loan to the Issuer. The Issuer will not be purchasing any portion of the Floating Rate Mall Loan. Each Lender(s) under the Floating Rate Mall Loan is free to assign and/or transfer its interests in the Floating Rate Mall Loan as it determines in its sole discretion (subject to the terms of the Mall Facility Agreement). As such, the identity of the Lenders under the Floating Rate Mall Loan will vary from time to time.

As at the Closing Date, the Original Lender retains at least a 5 per cent. interest in the Fixed Rate Mall Loan (the **Retained Fixed Rate Mall Loan**) (the Floating Rate Mall Loan and the Retained Fixed Rate Mall Loan together, the **Non-Securitised Mall Loan**) and the Issuer has a 100 per cent. interest in the Securitised Loan (the Original Lender, the lender(s) under all or any part of the Floating Rate Mall Loan and the Issuer, each a **Lender**, and together the **Lenders**) (the Non-Securitised Mall Loan and the Securitised Loan together, the **Mall Loan**).

For the purpose of calculating the “Majority Lenders” under the Mall Facility Agreement, the relative commitments of all the Lenders under the Mall Loan must be taken into account.

Purpose and application

The Borrower undertook to apply all amounts borrowed under the Mall Facility Agreement in or towards:

- (a) refinancing the intercompany loan agreement dated 5 May 2005 between, amongst others, the Borrower and BNY Mellon Corporate Trust Services Limited (as obligor security trustee and issuer security trustee) and the related capital markets transaction with Mall Funding plc as issuer (the **Existing Financing**);
- (b) the payment of the costs of any close-out of related hedging transactions or any fees, costs and expenses incurred by any Obligor and approved by the Majority Lenders in connection with the refinancing of the Existing Financing;

- (c) the payment of distributions by the Borrower to the Mall Unit Trust (being funds drawn pursuant to the utilisation that took place on 5 November 2014):
 - (i) to fund the redemption or purchase of some or all of the Minority Interests and the payment of any fees, costs and expenses, stamp registration and other taxes incurred by the Mall Unit Trust in connection with such redemption and approved by the Majority Lenders; and/or
 - (ii) to enable the Mall Unit Trust to make a distribution or other payment to the C&R Entities for any costs (including purchase price) incurred by the C&R Entities in acquiring some or all of the units of retiring unitholders (which constitute Minority Interests); and
- (d) the general corporate purposes of the Borrower.

Mall Loan amount and drawdown

The maximum amount of borrowing under the Mall Loan is £380,000,000. As at the Closing Date the total commitments under the Floating Rate Mall Loan are £146,666,666.67 and the total commitments under the Fixed Rate Mall Loan are £233,333,333.33 (as such, as at the Closing Date, the total commitments under the Securitised Loan are £221,666,000 and the total commitments under the Retained Fixed Rate Mall Loan are £11,667,333.33). The Mall Loan has been drawn in full and the Mall Facility Agreement does not place an obligation on the Issuer (or any of the other Lenders) to make any further advances to the Borrower.

A Lender may, with the consent of all the Lenders, make a Property Protection Loan whether requested by the Borrower or not. Each Property Protection Loan: (i) is repayable on demand made by the relevant Lender with the consent of all the Lenders and, in any event, on the Mall Loan Termination Date; and (ii) bears interest in accordance with the default interest provisions of the Mall Facility Agreement as if it were an overdue amount.

The amount of any Property Protection Loan made shall automatically increase the Commitments under the Floating Rate Mall Loan only. The Commitments under the Securitised Loan will not be increased by any Property Protection Loan made under the Mall Facility Agreement.

Payment of interest

Under the Mall Facility Agreement, the Borrower must pay accrued interest on each Mall Loan Payment Date.

The rate of interest on the Securitised Loan for each Mall Loan Interest Period on or before the Mall Loan Termination Date is the percentage rate per annum which is the aggregate of: (i) the Mall Loan Margin; and (ii) the Mall Loan Fixed Rate.

The rate of interest on the Securitised Loan for each Mall Loan Interest Period after the Mall Loan Termination Date is the percentage rate per annum which is the aggregate of: (i) the Mall Loan Margin; and (ii) Mall Loan LIBOR. If the rate used to calculate Mall Loan LIBOR is below zero, Mall Loan LIBOR will be deemed to be zero.

The rate of interest on the Floating Rate Mall Loan for each Mall Loan Interest Period is the percentage per annum which is the aggregate of: (i) the Mall Loan Margin and (ii) Mall Loan LIBOR.

Default interest will apply on any unpaid sums which an Obligor fails to pay from the due date up to the date of actual payment in accordance with the Mall Facility Agreement at a rate of two per cent.

per annum plus the rate of interest which would have been payable if the unpaid sum had, during the period of non-payment, constituted a Mall Loan.

Repayment

The Borrower must repay each Mall Loan made to it in full on the Mall Loan Termination Date.

Prepayments

Mandatory prepayment – illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations under any Finance Document or to fund or maintain its participation in the Mall Loan:

- (a) that Lender must promptly notify the Mall Loan Facility Agent upon becoming aware of that event;
- (b) the Mall Loan Facility Agent must notify the Borrower and upon such notification, the Commitment of the relevant Lender will immediately be cancelled; and
- (c) the Borrower must repay that Lender's participation in the Mall Loan on the earlier of:
 - (i) the last day of the Mall Loan Interest Period of that Mall Loan occurring after the Mall Loan Facility Agent has notified the Borrower; or
 - (ii) the date specified by the Lender in the notice to the Mall Loan Facility Agent (being no earlier than the last day of any applicable grace period permitted by law).

Mandatory prepayment – change of control

Under the Mall Facility Agreement, a change of control occurs if:

- (a) C&R PLC ceases to be the legal and beneficial owner (directly or through wholly owned subsidiaries) of at least 51 per cent. of the issued units in the Mall Unit Trust;
- (b) C&R PLC or any of its Affiliates enter into any transaction which results in any person other than C&R PLC (or any of its wholly owned subsidiaries) becoming the legal or beneficial owner (directly or indirectly) of 20 per cent. or more of the issued units in the Mall Unit Trust;
- (c) C&R PLC or the GP Shareholder (directly or through wholly owned subsidiaries in respect of C&R PLC) together or individually cease to control the Partnership or any asset of the Partnership; or
- (d) Capital & Regional (Mall GP) Limited ceases to be, directly or indirectly, legally and beneficially owned by C&R PLC while that entity continues to be a shareholder of the General Partner.

The Borrower must promptly notify the Mall Loan Facility Agent upon becoming aware of any change of control and the Mall Loan Facility Agent must promptly notify the Lenders.

Following a change of control, no Lender will be obliged to fund a Mall Loan and if a Lender so requires, the commitments of that Lender will be cancelled and the participation of that Lender in all outstanding Mall Loans, together with accrued interest and all other amounts accrued under the

Finance Documents (including Break Costs and all applicable prepayment fees), will be immediately due and payable.

Upon any prepayment of the Securitised Loan and the Retained Fixed Rate Mall Loan pursuant to the mandatory prepayment provisions in the event of a change of control, Mall Loan Fixed Rate Break Costs will be payable. Please refer to the heading “Mall Loan Fixed Rate Break Costs” for more detail.

Mandatory prepayment – Disposal Proceeds

Upon receipt of any Disposal Proceeds, the Borrower must either:

- (a) immediately apply such amounts in mandatory prepayment; or
- (b) immediately deposit such amounts into the Disposals Account and the Mall Loan Security Agent shall apply such amounts on each Mall Loan Payment Date (or earlier at the request of the Borrower if it gives the Mall Loan Facility Agent not less than five Business Days’ notice) in the following order of application:
 - (i) first,
 - (A) in an amount equal to 110 per cent. of the Allocated Mall Loan Amount of the Property the subject of, or owned by the Borrower the shares of which were the subject of, the relevant disposal:
 - I. first, in or towards prepayment of any outstanding Floating Rate Mall Loan; and
 - II. secondly, in or towards prepayment of any outstanding Securitised Loan and Retained Fixed Rate Mall Loan; and
 - (B) in or towards payment of any prepayment fees and any other amount that is or will become due as a result of those prepayments; and
 - (ii) secondly, in payment of any surplus to the Partnership Account; or
- (c) immediately pay such amounts into the Property Substitution Deposit Account.

Mandatory prepayment – Lease Prepayment Proceeds, Insurance Prepayment Proceeds, Compensation Prepayment Proceeds, Recovery Prepayment Proceeds

The Borrower must, promptly upon receipt, deposit any amounts of: (i) Lease Prepayment Proceeds; (ii) Insurance Prepayment Proceeds; (iii) Compensation Prepayment Proceeds; and/or (iv) Recovery Prepayment Proceeds into the Prepayment Account and the Mall Loan Security Agent shall apply such amounts on each Mall Loan Payment Date (or earlier at the request of the Borrower if it gives the Mall Loan Facility Agent not less than five Business Days’ notice) in the following order of application:

- (a) first, in or towards the prepayment of any outstanding Floating Rate Mall Loan; and
- (b) secondly, in or towards the prepayment of the Securitised Loan and the Retained Fixed Rate Mall Loan,

in each case, in or towards payment of prepayment fees and any other amount that is or will become due as a result of those prepayments.

Voluntary prepayment

The Borrower may, after the last day of the Availability Period of that Mall Loan (or, if earlier, the day on which the Available Facility is zero) if it gives the Mall Loan Facility Agent not less than five Business Days' prior notice (or such shorter notice as the Majority Lenders may agree), prepay the whole or any part of the Mall Loan (but, if in part prepayment, subject to a minimum repayment amount of £2,500,000). Voluntary prepayment is subject to payment of accrued interest, Break Costs, Mall Loan Fixed Rate Break Costs and any applicable prepayment fees.

The Securitised Loan and the Retained Fixed Rate Mall Loan may not be prepaid until the Floating Rate Mall Loan has been repaid in full.

Right of repayment and cancellation in relation to a single lender

If:

- (a) a sum payable to any Lender by an Obligor is required to be increased under the tax gross up provisions of the Mall Facility Agreement; or
- (b) any Lender claims indemnification from any Obligor under the tax indemnity or increased costs provisions of the Mall Facility Agreement,

the Borrower may, whilst the circumstances giving rise to the requirement for that increase or indemnification continue, give notice to the Mall Loan Facility Agent requesting prepayment and cancellation in respect of that Lender. The date for the repayment or prepayment of such a Lender's participation will be the earlier of the date specified by the Borrower in the notice it gives to the Mall Loan Facility Agent and the last day of the current Mall Loan Interest Period for that Mall Loan.

Right of repayment and cancellation in relation to a Defaulting Lender

If any Lender becomes a Defaulting Lender, the Borrower may, at any time whilst the Lender continues to be a Defaulting Lender, give the Mall Loan Facility Agent five Business Days' notice of the cancellation of each Available Commitment of that Lender.

Amount of prepayments

Any prepayment under the Mall Facility Agreement shall be made together with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment or cancellation under the Mall Facility Agreement except for any Break Costs, Mall Loan Fixed Rate Break Costs and any prepayment fee payable under the Mall Facility Agreement.

Effect of prepayments on the facility

The Borrower may not reborrow all or any part of the facility which is prepaid and no amount of the total commitments cancelled under the Mall Facility Agreement may be subsequently reinstated.

Property Substitution

The Borrower may, with the consent of the Majority Lenders, request by notice in writing to withdraw a Property as a "Property" for the purposes of the Mall Facility Agreement (such property being the

Exiting Property) provided it offers another property as a “Property” in substitute (the **Substitute Property**) (such transaction being a **Property Substitution**).

Consent of the Majority Lenders shall not be unreasonably withheld or delayed, provided the following conditions are satisfied:

- (a) the Substitute Property is located in England, Wales or Scotland and any Additional Guarantor required as part of the Property Substitution is also located in England, Wales or Jersey;
- (b) the Borrower has provided all information and documents and undertaken all due diligence requested by the Mall Loan Facility Agent in relation to the Property Substitution and the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) is satisfied with the information on the Property Substitution provided (acting reasonably);
- (c) no Cash Trap Trigger is continuing;
- (d) no Mall Loan Default is continuing or would result from the Property Substitution;
- (e) the disposal of the Exiting Property meets the criteria in the Mall Facility Agreement for disposals – for further detail see the paragraph entitled “Disposal of a Property or shares in an Obligor” below;
- (f) there is no adverse impact on the net tax position of the Group as a result of the Property Substitution;
- (g) the pro forma LTV (as adjusted to take into account the Property Substitution) immediately following the Property Substitution would be equal to or less than the LTV immediately prior to the Property Substitution as shown in a Valuation in respect of the Property Substitution which values both the Exiting Property and the Substitute Property;
- (h) the Substitute Property is a covered shopping centre located in a town centre with a minimum catchment population of 100,000 and a resident population of more than 50,000;
- (i) the Substitute Property has an initial tenant profile mix orientated towards ‘mass market’ and ‘value retail’ and a minimum size of 250,000 square feet gross internal;
- (j) the passing rental for all Properties immediately following the Property Substitution would be equal to or greater than the passing rental for all Properties immediately prior to the Property Substitution;
- (k) the occupancy rate for the Substitute Property is equal to or exceeds 90 per cent.;
- (l) the Mall Loan Facility Agent is satisfied (acting on the instructions of the Majority Lenders) that the Property Substitution will complete no more than 12 months after any disposal of the Property to be withdrawn as a ‘Property’;
- (m) if there is to be a timing gap between the disposal of the Exiting Property and the completion of the Property Substitution, the proceeds of the disposal of the Exiting Property must not be less than:
 - (i) the lower of the outstanding amount of the Secured Liabilities or 110 per cent. of the Allocated Mall Loan Amount of that Property; and

- (ii) an amount determined by the Mall Loan Facility Agent to provide for prepayment fees and any other amount that is or will become due and payable as a result of the application of the net disposal proceeds prepayment of the Mall Loan; and

until the Property Substitution is complete, be placed in the Property Substitution Deposit Account; and

- (n) various conditions precedent to the Property Substitution are satisfied, including: delivery of a new Valuation satisfactory to Mall Loan Facility Agent (acting on the instruction of the Majority Lenders); delivery of a new Group Structure Chart; payment of all the Finance Parties' costs, fees and expenses incurred in connection with the Property Substitution; provision of any Security necessary or desirable; satisfaction of any conditions precedent in relation to the accession of any Additional Guarantor; confirmation that all taxes in relation to the transfer of the Substitute Property (including but not limited to the payment of any stamp duty) have been paid; legal opinions acceptable to the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) in relation to any existing or new Finance Documents and the Property Substitution; the completion of the disposal of the Exiting Property occurring less than 12 months prior to the date of the completion of the Property Substitution; and delivery of a property schedule, substantially in the form as included in the Mall Facility Agreement and amended to show the changed ownership following the Property Substitution.

No more than two Property Substitutions are permitted during the term of the Mall Facility Agreement.

Additional Property Accession

If at any time the Borrower notifies the Mall Loan Facility Agent that the LTV ratio exceeds 75 per cent., the Borrower may either deposit an amount into the Equity Cure Account (for further detail see the heading entitled "Financial Covenants" below) or provide an additional property to be included as a "Property" for the purpose of the Mall Facility Agreement (the inclusion of an additional Property being subject to Majority Lender consent and such transaction being an **Additional Property Accession**), such that following the Additional Property Accession, the LTV ratio will be less than or equal to 75 per cent.

Fees and prepayment fee

- (a) Mall Loan Facility Agent's fee

The Borrower must pay to the Mall Loan Facility Agent (for its own account) an agency fee payable quarterly in arrear (exclusive of any VAT or other taxes).

- (b) Mall Loan Security Agent's fee

The Borrower must pay to the Mall Loan Security Agent (for its own account) a security agency fee payable quarterly in arrear (exclusive of any VAT or other taxes).

- (c) Prepayment and cancellation fee

- (i) A fee letter relating to the Mall Facility Agreement provides for a prepayment and cancellation fee to be payable in certain circumstances by the Borrower to the Mall Loan Facility Agent (for the account of each Lender).

- (ii) Subject to (iv) below, if the prepayment or cancellation of the Mall Loan occurs:
 - (A) on or before 30 May 2015, a prepayment fee of 1.5 per cent. of the amount prepaid or cancelled shall be payable;
 - (B) after 30 May 2015 but on or before 30 May 2016, a prepayment fee of 1.0 per cent. of the amount prepaid or cancelled shall be payable; or
 - (C) after 30 May 2016 but on or before 30 November 2016, a prepayment fee of 0.5 per cent. of the amount prepaid or cancelled shall be payable,

being the **Mall Loan Prepayment Fee**.

- (iii) The prepayment and cancellation fee set out above shall be payable by the Borrower on the date of prepayment and/or cancellation (as the case may be) of the Mall Loan.
- (iv) No prepayment or cancellation fee shall be payable:
 - (A) if the prepayment or cancellation occurs after 30 November 2016;
 - (B) in the event of prepayment for illegality or increased costs or as a result of the right of prepayment and cancellation of a single Lender in relation to a Defaulting Lender;
 - (C) if the prepayment or cancellation is of Insurance Prepayment Proceeds, Compensation Prepayment Proceeds, Lease Prepayment Proceeds or Recovery Prepayment Proceeds;
 - (D) if the prepayment or cancellation is made as part of curing a breach of either the LTV covenant or the Projected Interest Cover covenant in accordance with the provisions of the Mall Facility Agreement;
 - (E) if the prepayment or cancellation is of Disposal Proceeds in respect of either (but not both) of the Camberley Property or the Walthamstow Property; or
 - (F) in respect of a refinancing by a Lender (or an Affiliate of a Lender).

Mall Loan Fixed Rate Break Costs

Mall Loan Fixed Rate Break Costs are payable by the Borrower to the Lender if at any time on or prior to the Mall Loan Termination Date:

- (a) any part of the Securitised Loan and the Retained Fixed Rate Mall Loan is repaid or prepaid, other than repayment in full on the Mall Loan Termination Date; or
- (b) any part of the Securitised Loan and the Retained Fixed Rate Mall Loan is repaid or prepaid following receipt by the Mall Loan Security Agent of any enforcement proceeds following service of a notice to accelerate the Mall Loan,

(each, a **Justified Termination**).

On the occurrence of any Justified Termination, the Mall Loan Fixed Rate Break Cost (if any) shall be an amount calculated by the Mall Loan Facility Agent to be equal to the present value of a 1.860302 per cent. vs 3-month Mall Loan LIBOR floating quarterly sterling interest rate swap with a notional of

the Relevant Portion for a period starting on the date of Justified Termination and ending on the Mall Loan Termination Date (**Mall Loan Fixed Rate Break Costs**).

Unless the Bloomberg page SWPM is amended, replaced or the Mall Loan Market Value Input Variables are amended or replaced, this present value will, be obtained from Bloomberg page SWPM using the Mall Loan Market Value Input Variables listed in Appendix 3 (Mall Loan Market Value Input Variables), reading the output from the field “market value”. If that market value is less than zero, the Mall Loan Fixed Rate Break Cost will be deemed to be zero. If that market value is greater than zero, the Mall Loan Fixed Rate Break Cost is equal to that market value and is payable by the Borrower to the Lenders of the Securitised Loan and the Retained Fixed Rate Mall Loan *pro rata* on the date of the relevant repayment or prepayment.

If both Mall Loan Fixed Rate Break Costs and Break Costs are payable upon a repayment or prepayment, the Mall Facility Agreement provides that these payments shall be made without double counting.

Tax gross up and indemnities

Subject to certain conditions as set out in the Mall Facility Agreement, if a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor must be increased by an amount (after making any Tax Deduction) that leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

Subject to certain conditions as set out in the Mall Facility Agreement, the Borrower must pay to a Protected Party an amount equal to the loss, liability, or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Mall Loan Tax by that Protected Party in respect of a payment received or receivable (or any payment deemed to be received or receivable) under a Finance Document.

Each party to the Mall Facility Agreement may make any FATCA Deduction it is required to make under FATCA and any payment required in connection with that FATCA Deduction, and no party to the Mall Facility Agreement shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction

Bank accounts

Designation of Obligor Accounts

The Borrower has opened and is required to maintain the following accounts in its name:

- (a) a rent account designated the Cash Management Account;
- (b) a deposit account designated the Prepayment Account;
- (c) a deposit account designated the Disposals Account;
- (d) a deposit account designated the Equity Cure Account;
- (e) a deposit account designated the Reletting Reserve Account;
- (f) a deposit account designated the Property Substitution Deposit Account;
- (g) a deposit account designated the Cash Trap Account;

- (h) a current account designated the Partnership Account; and
- (i) a current account designated the General Account.

The Borrower may also permit the Property Manager to maintain on its behalf the following accounts:

- (a) up to nine current accounts each to be designated as a Client Service Charge Account;
- (b) up to two current accounts each to be designated as a Client Landlord Revenue Expenditure Accounts;
- (c) up to two current accounts each to be designated as a Client Insurance Account;
- (d) up to two deposit accounts each to be designated as a Client Rent Deposit Account;
- (e) a current account designated as the CRPM Mall Cares Client Account; and
- (f) a deposit account designated as the CRPM Mall Lut S/Fund Client Account.

Each Obligor Account maintained by the Property Manager shall be maintained as a trust account in the name of the Property Manager on behalf of the Borrower.

No Obligor may, without the prior consent of the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders), maintain any other bank account.

Account Bank

Each Obligor Account must be held with a bank or financial institution with a Requisite Rating or with any other bank or financial institution approved by the Mall Loan Facility Agent.

The Borrower must promptly notify the Mall Loan Facility Agent upon becoming aware that a bank at which an Obligor Account is held does not have the Requisite Rating (unless such Obligor Account is held with a bank or financial institution which has been approved by the Mall Loan Facility Agent). The Mall Loan Facility Agent may require that Obligor Account be moved, within 60 days, to a bank of its choice which does have the Requisite Rating. If it is not possible to find a replacement bank which has the Requisite Rating, the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) shall consult with the Borrower with a view to agreeing the substitute bank or financial institution. At the end of five Business Days, the Mall Loan Facility Agent shall specify the alternative bank or financial institution.

Cash Management Account

The Mall Loan Security Agent has sole signing rights in respect of the Cash Management Account.

The Borrower must ensure that all Swept Rental Income and any amount payable to it under any Hedging Agreement or under any relevant subsequent hedging transaction or other arrangement entered into pursuant to any hedging arrangement is paid into the Cash Management Account. The Borrower may satisfy the obligation to ensure all Swept Rental Income in a Collection Account is paid into the Cash Management Account by ensuring that the Property Manager promptly collects all Rental Income and on the last Business Day of each Month and on the Business Day immediately preceding each Mall Loan Payment Date pays all Swept Rental Income into the Cash Management Account.

On any day an amount is due under a Headlease, the Mall Loan Security Agent may withdraw from the Cash Management Account any amount necessary to meet that due amount and apply that amount in payment of that due amount.

Except as provided in the section entitled “Partial payments” below, on each Mall Loan Payment Date, the Mall Loan Security Agent must withdraw from the Cash Management Account and apply the amount due under the Finance Documents on that Mall Loan Payment Date in the following order:

- (i) first, in or towards payment *pro rata* of any unpaid amount owing to the Mall Loan Facility Agent, the Mall Loan Arranger or the Mall Loan Security Agent under the Finance Documents;
- (ii) secondly, in or towards payment *pro rata* to the Mall Loan Facility Agent for the relevant Lenders of any accrued interest on any Property Protection Loan due but unpaid under the Mall Facility Agreement;
- (iii) thirdly, in or towards payment *pro rata* to the Mall Loan Facility Agent for the relevant Lenders of any principal of any Property Protection Loan due but unpaid under the Mall Facility Agreement;
- (iv) fourthly, in or towards payment *pro rata* to the Mall Loan Facility Agent for the Lenders of any accrued interest and fees due but unpaid under the Mall Facility Agreement;
- (v) fifthly, in or towards payment *pro rata* of any other sum due but unpaid to the Finance Parties under the Finance Documents;
- (vi) sixthly, in or towards payment *pro rata* to the Mall Loan Facility Agent for the relevant Lenders of any Mall Loan Fixed Rate Break Costs due but unpaid under the Mall Facility Agreement;
- (vii) seventhly, any fees, costs or expenses payable, together with any applicable VAT to: (A) a Property Manager in accordance with a Property Management Agreement; and (B) a Fund Manager in accordance with a Fund Manager Agreement, in each case as certified by the Borrower in the most recently delivered Compliance Certificate and provided the aggregate of the amounts referred to in (A) and (B) do not exceed (exclusive of VAT) the lower of £6,000,000 or 15 per cent. of Rental Income in any 12 month period;
- (viii) eighthly, if a Cash Trap Trigger is continuing on that Mall Loan Payment Date:
 - (i) first, an amount equal to the maintenance capital expenditure required to be paid during the next Mall Loan Interest Period (as certified by the Borrower in the Compliance Certificate delivered immediately prior to that Mall Loan Payment Date) into the Capex Account; and
 - (ii) secondly, an amount equal to the amounts required to be paid to third parties in respect of capital expenditure which was contractually committed prior to the relevant Cash Trap Trigger occurring and required to be paid during the next Mall Loan Interest Period (as certified by the Borrower in the Compliance Certificate delivered immediately prior to that Interest Payment Date) into the Capex Account,

provided that, in each case, insufficient amounts are available in the Capex Account, the Partnership Account or the General Account to discharge such payment obligation (provided no amount can be included for the purposes of both subparagraph (i) and (iii)); and

- (ix) ninthly, if on that Mall Loan Payment Date:
- (i) a Cash Trap (LTV) Trigger is continuing (but no Cash Trap (ICR/Default) Trigger is continuing), payment of: (A) first, an amount equal to the amount which, if it were to be applied in prepayment of the Mall Loan, would cause the LTV to be equal to or less than 65 per cent. (or the surplus if only a lesser amount is available) into the Cash Trap Account; and (B) secondly, any surplus after the payment referred to in (A) above into the Partnership Account;
 - (ii) a Cash Trap (ICR/Default) Trigger is continuing, payment of any surplus into the Cash Trap Account; or
 - (iii) no Cash Trap Trigger is continuing, payment of any surplus into the Partnership Account.

Prepayment Account

The Mall Loan Security Agent has sole signing rights in respect of the Prepayment Account.

The Obligors must ensure that all Lease Prepayment Proceeds, Insurance Prepayment Proceeds, Compensation Prepayment Proceeds and Recovery Prepayment Proceeds are promptly on receipt paid into the Prepayment Account. On each Mall Loan Payment Date, or earlier at the request of the Borrower if it gives the Mall Loan Facility Agent not less than five Business Days' notice, the Mall Loan Security Agent must withdraw from, and apply, amounts standing to the credit of the Prepayment Account in prepayment of the Mall Loan in accordance with the mandatory prepayment provisions of the Mall Facility Agreement relating to mandatory prepayment (see the section entitled "Prepayments" for details).

The Mall Loan Security Agent is only obliged to make withdrawals from the Prepayment Account if no Mall Loan Event of Default is outstanding.

Disposals Account

The Mall Loan Security Agent has sole signing rights in respect of the Disposals Account.

The Obligors must ensure that the Disposal Proceeds of a Property are, unless applied in prepayment of the Mall Loan in accordance with the mandatory prepayment provisions of the Mall Facility Agreement (see the section entitled "Prepayments" for details) or paid into the Property Substitution Deposit Account, paid immediately upon receipt into the Disposals Account.

If no Mall Loan Event of Default is continuing, on each Mall Loan Payment Date or earlier at the request of the Borrower if it gives the Mall Loan Facility Agent not less than five Business Days' notice, the Mall Loan Security Agent must withdraw from, and apply amounts standing to the credit of, the Disposals Account in accordance with the mandatory prepayment provisions of the Mall Facility Agreement.

Cash Trap Account

The Mall Loan Security Agent has sole signing rights in respect of the Cash Trap Account and will transfer amounts to the Cash Trap Account from the Cash Management Account in accordance with the provisions of the Mall Facility Agreement relating to the Cash Management Account (see paragraph (vii) of the payment waterfall set out under the heading "Cash Management Account" above for details).

If on any Mall Loan Payment Date the amount standing to the credit of the Cash Management Account is insufficient to discharge amounts referred to in paragraphs (i) to (iv) of the payment waterfall set out under the heading “Cash Management Account” above, the Mall Loan Security Agent shall withdraw from and apply any amounts standing to the credit of the Cash Trap Account in the order set out in those paragraphs.

If, on any Mall Loan Payment Date and the immediately preceding Mall Loan Payment Date, (i) the LTV is less than 65 per cent. (calculated on the most recent Valuation), (ii) the Projected Interest Cover is greater than or equal to 150 per cent. and (iii) no Mall Loan Default is continuing, the Mall Loan Security Agent shall transfer all amounts standing to the credit of the Cash Trap Account to the Partnership Account.

The Borrower may at any time elect that any amounts standing to the credit of the Cash Trap Account be applied in prepayment of the Mall Loan in accordance with the voluntary prepayment provisions of the Mall Facility Agreement. If the request is approved by the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders), the Mall Loan Security Agent shall withdraw and apply such amount in accordance with that request.

Equity Cure Account

The Mall Loan Security Agent has sole signing rights in respect of the Equity Cure Account.

The Borrower must maintain separate ledgers for LTV Cure Amounts and ICR Cure Amounts deposited in the Equity Cure Account. Except as provided for in the financial covenant provisions of the Mall Facility Agreement, no amount may be deposited into the Equity Cure Account without the prior written consent of the Mall Loan Facility Agent.

The Mall Loan Security Agent shall make a withdrawal from the Equity Cure Account in respect of each of LTV Cure Amounts and ICR Cure Amounts in accordance with the LTV covenant provisions and the Projected Interest Cover provisions of the Mall Facility Agreement respectively (see the section entitled “Cure rights” within the “Financial covenants” section of the “Description of the Mall Facility Agreement” part of this Offering Circular for details).

Reletting Reserve Account

Except at any time when a Mall Loan Event of Default is continuing, the Borrower has signing rights in respect of the Reletting Reserve Account. The Borrower may also allow the Property Manager to have signing rights in relation to the Reletting Reserve Account.

The Borrower must ensure that only Reletting Reserve Amounts are paid into the Reletting Reserve Account and may only withdraw amounts standing to the credit of that account for application towards payment of Tenant Incentives in respect of the Property to which the relevant Reletting Reserve Amount relates.

If any part of a Reletting Reserve Amount is held in the Reletting Reserve Account for more than 365 days, the Borrower shall on the first Business Day following the expiry of the 365 day period, transfer that amount to the Prepayment Account as Lease Prepayment Proceeds.

Property Substitution Deposit Account

The Mall Loan Security Agent has sole signing rights in relation to the Property Substitution Deposit Account.

The Borrower may make a deposit into the Property Substitution Deposit Account in accordance with the property substitution provisions of the Mall Facility Agreement (see the section entitled “Property Substitution” for details).

If a deposit is made into the Property Substitution Deposit Account, the Mall Loan Security Agent shall transfer that amount to the Partnership Account on the date of completion for the Property Substitution for application towards the purchase of that property.

If the Property Substitution has not completed within 12 months of the relevant deposit, the Mall Loan Security Agent shall apply that amount in the following order: first, in or towards prepayment of the Floating Rate Mall Loan and secondly, in or towards prepayment of the Securitised Loan and Retained Fixed Rate Mall Loan *pro rata*.

Partnership Account

Except at any time when a Mall Loan Event of Default is continuing, subject to any restriction in any Finance Document and the requirement that amounts paid into the Partnership Account for a particular purpose must be used for that purpose, the Borrower has signing rights in relation to the Partnership Account.

The Borrower must ensure that all Tenant Contributions and Operating Expenses (unless these amounts are held in a Collection Account, a Client Service Charge Account, a Client Landlord Revenue Expenditure Accounts or a Client Insurance Account) are paid into the Partnership Account.

At any time when a Mall Loan Event of Default is continuing, the Mall Loan Security Agent may operate the Partnership Account, notify the Borrower that its rights to operate the Partnership Account are suspended and withdraw from and apply amounts standing to the credit of the Partnership Account in or towards any purpose for which moneys in any Obligor Account may be applied.

General Account

Except at any time after an Acceleration Event, the Borrower has signing rights in relation to the General Account.

The Borrower may only transfer amounts standing to the credit of Partnership Account into the General Account where such transfer constitutes a Permitted Payment. At any time before an Acceleration Event, and subject to any restriction in any Finance Document, the Borrower may withdraw any amounts in the General Account for any purpose.

At any time after an Acceleration Event, the Mall Loan Security Agent may operate the General Account, notify the Borrower that its rights to operate the General Account are suspended and withdraw from and apply amounts standing to the credit of the General Account in or towards any purpose for which moneys in any Obligor Account may be applied.

Collection Account

The Property Manager has signing rights in relation to each Collection Account.

Only amounts representing Rental Income may be paid into the Collection Accounts. The Obligors shall satisfy their obligations under the Mall Facility Agreement to pay all Swept Rental Income into the Cash Management Account by ensuring that the Property Manager promptly collects all Rental Income and deposits it into the relevant Collection Account and pays all Swept Rental Income received by it into the Cash Management Account on the last Business Day of each Month and the Business Day immediately preceding each Mall Loan Payment Date.

Notwithstanding the above, the Property Manager may on any day pay all Swept Rental Income into the Cash Management Account. Except at any time when an Account Block Event has occurred, the Borrower or the Property Manager may withdraw any amount which is not Swept Rental Income standing to the credit of a Collection Account for application towards Tenant Contributions, Operating Expenses or amounts due and payable on account to HMRC in respect of VAT.

At any time when an Account Block Event has occurred the Mall Loan Security Agent may direct a tenant to pay all Rental Income directly into the Cash Management Account and/or require the Borrower to procure that the Property Manager transfers all amounts in the Collection Accounts to the Cash Management Account within three Business Days.

Client Service Charge Account

The Property Manager has signing rights in relation to the Client Service Charge Account.

The Property Manager may only transfer amounts which represent Tenant Contributions into the Client Service Charge Account from a Collection Account or from a Client Landlord Revenue Expenditure Account, or amounts standing to the credit of another Client Service Charge Account.

The Property Manager may only withdraw amounts standing to the credit of a Client Service Charge Account for application directly towards payment of Tenant Contributions.

At any time when an Account Block Event has occurred, on receiving a written request from the Mall Loan Security Agent the Borrower shall cease to deposit amounts into the Client Service Charge Account and shall procure that the Property Manager promptly and in any event within three Business Days transfers all amounts standing to the credit of any Client Service Charge Account into the Cash Management Account.

Client Insurance Accounts

The Property Manager shall have signing rights in relation to the Client Insurance Accounts.

The Borrower shall procure that the Property Manager only transfers amounts into a Client Insurance Account which constitute Operating Expenses (including any VAT thereon) or Tenant Contributions which relate to insurance arrangements for the Properties from either a Client Insurance Account or a Client Landlord Revenue Expenditure Account or amounts which are standing to the credit of another Client Insurance Account.

The Borrower shall procure that the Property Manager only withdraws amounts standing to the credit of a Client Insurance Account for application towards payment of Insurance Expenses or the payment to HMRC of any VAT liability arising from the receipt of Tenant Contributions relating to insurance arrangements.

At any time when an Account Block Event has occurred, on receiving a written request from the Mall Loan Security Agent, the Borrower shall cease to deposit amounts into any Client Insurance Account and shall procure that the Property Manager promptly and in any event within three Business Days transfers all amounts standing to the credit of any Client Insurance Account into the Cash Management Account.

Client Landlord Revenue Expenditure Accounts

The Property Manager shall have sole signing rights in relation to the Client Landlord Revenue Expenditure Accounts.

The Property Manager may only transfer amounts into a Client Landlord Revenue Expenditure Account which constitute Operating Expenses (including any VAT thereon) from a Collection Account or amounts which are standing to the credit of another Client Landlord Revenue Expenditure Account. No other payments are permitted to be made into any Client Landlord Revenue Expenditure Account.

The Property Manager may only withdraw amounts standing to the credit of a Client Landlord Revenue Expenditure Account: (i) for application towards payment of Operating Expenses (including any VAT thereon); (ii) where such amounts are Insurance Expenses, to transfer such amounts into a Client Insurance Account; or (iii) where such amounts are Tenant Contributions, to transfer such amounts to a Client Service Charge Account.

At any time when an Account Block Event has occurred, on receiving a written request from the Mall Loan Security Agent, the Borrower shall cease to deposit any amount into any Client Landlord Revenue Expenditure Account and shall procure that the Property Manager promptly and in any event within three Business Days transfers all amounts standing to the credit of the Client Landlord Revenue Expenditure Account into the Cash Management Account.

Client Rent Deposit Accounts

The Property Manager shall have signing rights in relation to each Client Rent Deposit Account.

The Borrower shall procure that the Property Manager pays any amount paid by any tenant by way of a deposit under a Lease Document into the Client Rent Deposit Account.

Where a tenant fails to meet its obligations under a Lease Document and the Borrower and/or Property Manager is entitled to have recourse to the deposit of that tenant, the Borrower shall procure that the Property Manager transfers the amount of that deposit that is available to remedy the relevant failure within three Business Days to a Collection Account (in the case of failure to pay Rental Income) and, in the case of any other breach, into the Cash Management Account.

Where the Borrower or the Property Manager is required to repay a deposit to a tenant, the Property Manager may also withdraw from the Client Rent Deposit Account amounts equal to the amount to be refunded and pay such amount to the relevant tenant.

CRPM Mall Cares Client Account

The Property Manager shall have sole signing rights in relation to the CRPM Mall Cares Client Account.

The Borrower may deposit, and shall procure that the Property Manager deposits, any amount paid to the Borrower by way of donation to a charitable fund into the CRPM Mall Cares Client Account, provided that no more than £50,000 may be deposited in any calendar year.

CRPM Mall Lut S/Fund Client Account

The Property Manager shall have sole signing rights in relation to the CRPM Mall Lut S/Fund Client Account.

No amounts are permitted to be deposited into the CRPM Mall Lut S/Fund Client Account. Existing amounts are permitted to be retained in the CRPM Mall Lut S/Fund Client Account provided the balance of this account does not exceed £2,100,000 plus any interest.

The Property Manager may only make a withdrawal from the CRPM Mall Lut S/Fund Client Account for application towards refurbishment works at Arndale House at the Luton Property or, where it determines that amounts are no longer required to be held for refurbishment works at Arndale House, to pay the surplus amount into the Partnership Account.

Miscellaneous Accounts provisions

The Borrower must ensure that no Obligor Account (other than an Obligor Account over which the Mall Loan Security Agent holds sole signing rights) goes into overdraft.

Any amount received or recovered by an Obligor otherwise than by credit to an Obligor Account must be held subject to the security created by the Finance Documents and immediately paid to the relevant Obligor Account or to the Mall Loan Facility Agent in the same funds as received or recovered.

The monies standing to the credit of an Obligor Account may be applied by the Mall Loan Security Agent in payment of any amount due but unpaid to a Finance Party under the Finance Documents.

Guarantee

Each Guarantor has irrevocably and unconditionally, jointly and severally guaranteed to each Finance Party punctual performance by each Obligor of all their obligations under the Finance Documents and has further undertaken that, if any Obligor does not pay any amount when due in connection with a Finance Document it will immediately on demand pay that amount as if it were the primary Obligor and further agrees to indemnify each Finance Party if any obligation guaranteed becomes unenforceable, invalid or illegal.

Representations and warranties

Each Obligor or (if the Mall Facility Agreement so states) one or more of them gives the following representations and warranties (each of PTL and PPTL make the representations and warranties in respect of themselves only):

- (a) *Status*: (i) each Obligor (other than the Borrower and the Camberley Unit Trust) is a limited liability company, duly incorporated and validly existing under the law of its jurisdiction of original incorporation; (ii) the Borrower is a limited partnership, duly formed and validly existing under the laws of England and Wales; (iii) Camberley Unit Trust is duly and properly established and validly constituted under the law of Jersey pursuant to the Camberley Trust Instrument and continues to be a validly existing unit trust; and (iv) each Obligor has the power to own its assets and carry on its business as it is being conducted;
- (b) *Partnership structure*: (i) the General Partner and the Limited Partner are the only partners of the Borrower; (ii) the Limited Partner is the only limited partner of the Borrower; and (iii) the General Partner is the only general partner of the Borrower;
- (c) *Binding obligations*: subject to the Mall Loan Legal Reservations, the obligations assumed by it in each Mall Loan Transaction Document to which it is a party are legal valid and binding obligations;
- (d) *Non-conflict*: the entry into and performance by it of, and the transactions contemplated by, the Mall Loan Transaction Documents and the granting of the Mall Loan Security do not and will not conflict with any law or regulation applicable to it, its constitutional documents or any material agreement or material instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument;

- (e) *Power and authority*: (i) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of the Mall Loan Transaction Documents to which it is a party and the transactions contemplated by those Mall Loan Transaction Documents; (ii) no limit of its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Mall Loan Transaction Documents to which it is a party; (iii) under the Partnership Agreement, the General Partner may execute agreements and deeds on behalf of the Borrower (including the Mall Loan Transaction Documents to which the Borrower is or will be a party); (iv) no action has been taken by the Limited Partner or the General Partner to dissolve the Borrower; and (v) neither the General Partner nor the Limited Partner, in respect of the Borrower, nor the Borrower and Capital & Regional Jersey Limited in respect of the Camberley Unit Trust, is in breach of any provision of FSMA or any associated regulation in connection with the establishment of the Borrower or the Camberley Unit Trust, the Property or other assets owned by or on its behalf or otherwise;
- (f) *Validity and admissibility in evidence*: all Authorisations required: (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Mall Loan Transaction Documents to which it is a party; and (ii) to make the Mall Loan Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdiction are in full force and effect. All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Obligor have been obtained or effected and are in full force and effect;
- (g) *Governing law and enforcement*: subject to the Mall Loan Legal Reservations:
- (i) the choice of the governing law of any Finance Document will be recognised and enforced in its Relevant Jurisdictions; and
 - (ii) any judgment obtained in relation to the governing law of that Finance Document will be recognised and enforceable by the courts of its Relevant Jurisdictions;
- (h) *Deduction of tax*: (i) it is not required to make any deduction for or on account of Mall Loan Tax from any payment it may make under any Finance Document to a Lender which is: (A) a Qualifying Lender falling within: (I) paragraph (i)(A) of the definition of Qualifying Lender; (II) except where a direction has been given under section 931 of the ITA in relation to the payment concerned, falling within paragraph (i)(B) of the definition of Qualifying Lender; or (III) falling within paragraph (ii) of the definition of Qualifying Lender; or (B) a Treaty Lender and a direction is given by HMRC in relation to the payment under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488); and (ii) subject to clearance by HMRC under the Taxation of Income from Land (Non-Residents) Regulations 1995, no Rental Income payable to any Obligor is subject to a requirement to make a deduction or withholding for or on account of Mall Loan Tax from that Rental Income;
- (i) *No filing or stamp taxes*: under the laws of its Relevant Jurisdiction it is not necessary that the Finance Documents be registered, filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents, except: (i) registration of particulars of the Mall Loan Security Documents entered into by the Mall Loan Transaction Obligors incorporated in England or Wales at the Companies Registration Office under the Companies Act 2006 and payment of associated fees; (ii) registration of the Mall Loan Security Agreements at the Land Registry or Land Charges Registry in England and Wales and payment of associated fees; and (iii) registration or recording of each Jersey Security Agreement on the Security Interests Register in Jersey maintained under the Security Interest (Jersey) Law 2012 and payment of associated fees. Any disclosure required to be

made by it to any relevant taxing authority in relation to stamp duty land tax payable on any transactions contemplated by or being financed by the Mall Loan Transaction Documents has been made;

- (j) *VAT*: it is not a member of a value added tax group;
- (k) *No default*: no Mall Loan Event of Default is continuing or is reasonably likely to result from the making of any Utilisation or the entry into of, or the performance of, or any transaction contemplated by, any Mall Loan Transaction Document and no other event or circumstance is continuing which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or to which any of its assets are subject which has or is reasonably likely to have a Material Adverse Effect;
- (l) *Information*: to the best of its knowledge and belief having made all due and diligent enquiry:
 - (i) all written factual information supplied by it or on its behalf to any Finance Party in connection with the Mall Loan Transaction Documents (or such information relating to the Obligors or assets of the Obligors provided to the Finance Parties in connection with the issue of the Class A Notes) was true and accurate in all material respects as at the date it was provided or as at the date at which it is stated to be given; (ii) the financial projections contained in the information referred to in (i) above have been prepared as at their date on the basis of recent historical information and on the basis of reasonable assumptions; (iii) it has not omitted to supply any information which, if disclosed, would make the information referred to in (i) untrue or misleading in any material respect as at the stated date of such information; and (iv) as at the first Utilisation Date, nothing has occurred since the date of the information referred to in paragraph (i) which, if disclosed, would make that information untrue or misleading in any material respect;
- (m) *Financial statements*: (i) there has been no material adverse change in its business or financial condition (or in the business or consolidated financial condition of the Group in the case of the Borrower) since the date of the Original Financial Statements; and (ii) its financial statements most recently delivered to the Mall Loan Facility Agent have been prepared in accordance with GAAP, consistently applied and give a true and fair view of (if audited) or fairly represent (if unaudited) its financial condition as at the relevant financial year and operations during the relevant financial year (consolidated in the case of the Borrower);
- (n) *Holding companies*: the Holding Company Transaction Obligors shall not trade, carry on any business, own any assets or incur any liabilities except for: (i) the provision of administrative services to other members of the Group of a type customarily provided by a holding company to its Subsidiaries, Subordinated Debt and other credit balances in bank accounts and cash; and (ii) any liabilities under the Mall Loan Transaction Documents to which it is a party and professional fees and administration costs incurred in the ordinary course of business as a holding company;
- (o) *Pari passu ranking*: its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;
- (p) *No proceedings pending or threatened*: no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which might be adversely determined and if adversely determined, would reasonably be expected to have a Material Adverse Effect (to the best of its knowledge and belief) have been started or threatened against it;

(q) *Valuation*: to the best of its knowledge and belief having made all due and diligent enquiry: (i) all information supplied by it or on its behalf to the Mall Loan Valuer for the purposes of each Valuation was true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given; (ii) any financial projections contained in the information referred to in (i) have been prepared as at their date, on the basis of recent historical information and on the basis of reasonable assumptions; (iii) it has not omitted to supply any information to the Mall Loan Valuer which, if disclosed, would adversely affect the Valuation; and (iv) as at the first Utilisation Date, nothing has occurred since the date on which the information referred to in (i) was supplied which, if it had occurred prior to any Borrower Valuation, would have materially and adversely affected a Borrower Valuation and (v) as at the first Utilisation Date, nothing has occurred since the date the information referred to in (i) was supplied which, if it had occurred prior to 25 March 2014, would have materially and adversely affected the valuations set out in the Former Valuation;

(r) *Title to Property*:

- (i) The Obligor named as owner of each Property in Appendix 2 (Properties) is the legal and beneficial owner of that Property;
- (ii) The relevant Obligor will (except as disclosed in any Property Report relating to that Property) from the date of purchase of a Property, have good and marketable title to that Property, free from Security (other than those created by or pursuant to the Mall Loan Security Documents);
- (iii) From the first Utilisation Date, except as disclosed in a Property Report relating to that Property:
 - (A) no breach of any law, regulation or covenant, is outstanding which materially and adversely affects or might reasonably be expected to materially and adversely affect the value, saleability or use of that Property;
 - (B) there is no covenant, agreement, stipulation, reservation, condition, interest, right, easement, servitude or other matter whatsoever materially and adversely affecting that Property;
 - (C) nothing has arisen or has been created or is outstanding which would be an overriding interest, or an unregistered interest which overrides first registration or a registered disposition, over that Property;
 - (D) all facilities reasonably necessary for the enjoyment and use of that Property (including those necessary for the carrying on of its business at that Property) are enjoyed by that Property;
 - (E) none of the facilities referred to in paragraph (D) above are enjoyed on terms:
 - I. entitling any person to terminate or curtail its use of that Property; or
 - II. which materially conflict with or restrict its use of that Property;
 - (F) the relevant Obligor has not received any notice of any adverse claim by any person in respect of the ownership of that Property or any interest in it which might reasonably be expected to be determined in favour of that person, nor has any acknowledgement been given to any such person by or on behalf of the Borrower in respect of that Property in each case where such adverse

claim, if determined in favour of such person, might reasonably be expected materially and adversely to affect the market value of that Property; and

- (G) that Property is held by the relevant Obligor free from any lease or licence (other than those entered into in accordance with or permitted by the Mall Facility Agreement);
- (iv) All deeds and documents necessary to show good and marketable title to an Obligor's interest in a Property will from the first Utilisation Date be:
 - (A) in possession of the Mall Loan Security Agent;
 - (B) held at the Land Registry to the order of the Mall Loan Security Agent; or
 - (C) held to the order of the Mall Loan Security Agent by a firm of solicitors approved by the Mall Loan Security Agent for that purpose;
- (v) No demand has been made against any Obligor in respect of the indemnity relating to environmental matters given in the transfer of the Luton Property dated 9 October 2007 and no Obligor is aware of any threatened demand under such indemnity or any circumstance having arisen which could give rise to such a claim;
- (vi) No Refurbishment Notice has been served by the landlord of the Camberley Property;
- (vii) The defective title indemnity insurance policy (for a term commencing on 18 July 2003) relating to rights granted in favour of the owner of Granada House, being land adjoining the Maidstone Property, provides adequate cover given the nature of the rights and the potential impact of their exercise on the value and operation of the Maidstone Property and the owner of Granada House has not sought to exercise any of its rights covered by such a policy;
- (s) *Information in Property Reports*: to the best of its knowledge and belief, having made all due and diligent enquiry, (i) the information supplied by it or on its behalf to the lawyers who prepared any Property Report for the purpose of that Property Report was true and accurate in all material respects as at the date of the Property Report or (if appropriate) as at the date (if any) at which it was stated to be given and; (ii) the Tenancy Information was true and accurate in all material respects as at the date of the Tenancy Information or (if appropriate) as at the date (if any) at which it was stated to be given and that the information supplied under (i) and (ii) above was complete in all material respects and did not omit any information which, if disclosed, would make that information untrue or misleading in any material respect;
- (t) *No other business*: (i) no Obligor has traded or carried on any business since the date of its incorporation except for: (A) in the case of the Borrower and the General Partner, the ownership of the Obligors; (B) in the case of the GP Shareholder, the ownership of the General Partner; and (C) in the case of each Obligor, the ownership and management of its interests in the Properties or development of those Properties; (ii) as at the date of the Mall Facility Agreement, it is not party to any material agreement other than the Mall Loan Transaction Documents, the Lease Documents which are not Mall Loan Transaction Documents, the documents in respect of the Existing Financing, those documents permitted to be entered into under the terms of the Mall Facility Agreement, those documents required for the day-to-day management of the Properties, and agreements in relation to works permitted under the Mall Facility Agreement; (iii) as at the date of the Mall Facility Agreement, neither the Borrower nor the General Partner has any Subsidiaries other than the Obligors and the

Dormant Subsidiaries; (iv) the GP Shareholder does not have any Subsidiaries other than the General Partner, the Obligors and the Dormant Subsidiaries; and (v) no Obligor has any employees or has had any obligation in respect of any retirement benefit or occupational pension scheme;

- (u) *Centre of Main Interests*: its Centre of Main Interests is situated in its jurisdiction of incorporation;
- (v) *Arm's length basis*: no Obligor shall (and the Borrower shall ensure that no other member of the Group will) enter into any transaction (other than any Subordinated Debt or fees, costs and expenses payable under the Mall Loan Transaction Documents) with any person except on arm's lengths terms;
- (w) *Jersey Assets*: no Obligor owns any asset situated in Jersey other than assets subject to Mall Loan Security under and in accordance with a Jersey Security Agreement;
- (x) *Ranking of Security*: subject to the Mall Loan Legal Reservations, the perfection requirements and any other Mall Loan Security Document, the security conferred by each Mall Loan Security Document constitutes a first priority security interest of the type described, over the assets referred to, in that Mall Loan Security Document and those assets are not subject to any prior or *pari passu* Security;
- (y) *Partnership and nominee matters*: there is no provision in the Partnership Agreement which restricts or prevents any Obligor from creating the Mall Loan Security;
- (z) *Ownership*: the Group Structure Chart is true, complete and accurate in all respects save where a Permitted Transfer has taken place and the shares in the capital of each Obligor are fully paid and are not subject to any option to purchase or similar rights;
- (aa) *Sanctions*: (i) none of it, its Subsidiaries or the Mall Loan Transaction Obligors, officers, directors, or employees, or, to the best of its knowledge after due inquiry, any other persons acting on behalf of any of the foregoing:
 - (A) is a Restricted Party;
 - (B) has engaged in any transaction or conduct that would result in it becoming a Restricted Party (including, without limitation, conduct sanctionable under the U.S. Iran Sanctions Act of 1996, as amended, the U.S. Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, Executive Order 13590, or the Iran Financial Sanctions Regulations, 31 C.F.R. Part 561);
 - (C) directly or indirectly, has conducted or is conducting any trade, business or other activities with or for the benefit of any Restricted Party;
 - (D) has engaged or is engaging in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to breach, any of the prohibitions set forth in any Sanctions;
 - (E) has received notice of, nor is otherwise aware of, any claim involving it with respect to Sanctions;
 - (F) it will not and will procure that each Mall Loan Transaction Obligor will not, directly or indirectly, use the proceeds of the facilities, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or

entity (a **Person**) to fund or facilitate any activities or business of or with any Person or in any country that, at the time of such funding or facilitation, was the subject of Sanctions or in any other manner that would result in a violation of Sanctions by any Person, including the Lenders; and

- (G) its and the Mall Loan Transaction Obligors' operations have been conducted at all times in compliance with Anti-Money Laundering Laws, and it has not received notice, nor is otherwise aware of, any claim involving it or any other Mall Loan Transaction Obligor with respect to Anti-Money Laundering Laws.
- (bb) *Anti-corruption*: neither it, its Subsidiaries or any Mall Loan Transaction Obligors, or any of the officers, directors or employees of those entities, and, to the best of its knowledge after due inquiry, any other persons acting on behalf of any of the foregoing, has:
- (i) violated or is in violation of any applicable anti-bribery or anti-corruption law or regulation enacted in any jurisdiction whether in connection with or arising from the OECD Convention Combating Bribery of Foreign Public Officials in International Business Transactions or otherwise, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act;
 - (ii) made, received, offered to make or receive, promised to make or authorised the payment or giving/receipt of, directly or indirectly, any bribe, rebate, payoff, influence payment, kickback or other payment or gift of money or anything of value (including meals or entertainment) to any person while knowing that all or some portion of the money or value will be offered, given, promised or received by anyone to improperly influence official action, to obtain or retain business or otherwise to secure any improper advantage (**Prohibited Payments**); or
 - (iii) been subject to any claim with regard to any actual or alleged Prohibited Payment.
- (cc) *Margin Stock*: (i) neither it, nor any other Mall Loan Transaction Obligor, is engaged, nor will it or any other Mall Loan Transaction Obligor engage principally, or as one of its important activities, in the business of owning or extending credit for the purpose of 'buying' or 'carrying' any Margin Stock; (ii) none of the proceeds of the Mall Loan or other extensions of credit under the Mall Facility Agreement will be used, directly or indirectly, for the purpose of buying or carrying any Margin Stock, for the purpose of reducing or retiring any indebtedness that was originally incurred to buy or carry any Margin Stock or for any other purpose which would be likely to cause the Mall Loan or other extensions of credit under the Mall Facility Agreement to be considered a 'purpose credit' within the meaning of Regulation U or Regulation X; and (iii) neither it, nor any other Mall Loan Transaction Obligor, is taking and no agent acting on behalf of any Mall Loan Transaction Obligor has taken or will take, any action which would be likely to cause the Finance Documents to violate any regulation of the Board of Governors of the Federal Reserve System of the United States;
- (dd) *U.S. Governmental Regulation*: (i) neither it nor any other Mall Loan Transaction Obligor is an 'investment company' or an 'affiliated person' of an 'investment company' as such terms are defined in the United States Investment Company Act of 1940 or otherwise subject to regulation under the United States Federal Power Act or the United States Investment Company Act of 1940; and (ii) neither it nor any other Mall Loan Transaction Obligor is subject to regulation under any other federal or state statute or regulation which may limit its ability to incur Financial Indebtedness under the Finance Documents or which may otherwise render all or any portion of the obligations under the Finance Documents unenforceable, in each case to an extent or in a manner which has or could reasonably be expected to have a

Material Adverse Effect other than such regulations with which it and each other Mall Loan Transaction Obligor has complied;

- (ee) *The Unit Trusts and units:* (i) each of PTL and PPTL has been validly appointed as a trustee of the Camberley Unit Trust and each Camberley Trustee is either registered pursuant to the Financial Services (Jersey) Law 1998 to carry on trust company business (as defined therein) or exempt from such licensing and has complied with all conditions of such exemption; (ii) the unitholders of the Camberley Unit Trust have unanimously authorised and directed the Camberley Trustees to apply all Income arising in respect of the Camberley Unit Trusts in accordance with the terms of the Mall Facility Agreement and the Mall Loan Security Documents; (iii) the Camberley Trust Instrument does not restrict or inhibit any transfer of the units in the Camberley Unit Trust on creation or enforcement of any of the Mall Loan Security Documents; and (iv) PTL and PPTL are the only trustees of the Camberley Unit Trust;
- (ff) *Dormant Subsidiaries:* each of the following entities is a Dormant Subsidiary: Alhambra Barnsley Limited (Jersey registered number 80730), Ashley Epsom Limited (Jersey registered number 80728), Howgate Freehold Limited (Jersey registered number 80731), Howgate Leasehold Limited (Jersey registered number 80732), Liberty Romford Limited (Jersey registered number 80726), Trinity Aberdeen Limited (Jersey registered number 80724), Ashley Centre One Limited (England and Wales registered number 03840769), Ashley Centre Two Limited (England and Wales registered number 03840768), Alhambra One Limited (England and Wales registered number 4269294), Alhambra Two Limited (England and Wales registered number 4269300), Howgate One Limited (England and Wales registered number 4269324), Howgate Two Limited (England and Wales registered number 4269323), Howgate Three Limited (England and Wales registered number 4269321), Howgate Four Limited (England and Wales registered number 4269317), Liberty One Limited (England and Wales registered number 4269315), Liberty Two Limited (England and Wales registered number 4269314), Trinity One Limited (England and Wales registered number 04269286), Trinity Two Limited (England and Wales registered 04269342) and Capital & Regional Investments Limited (in liquidation) (England and Wales registered number 00566435); and
- (gg) *Tax and Structure Opinion:* (i) each of the assumptions contained in the Tax and Structure Opinion (as updated and superseded by the Second Tax and Structure Opinion) and the Jersey Tax and Structure Opinion (as updated and superseded by the Second Jersey Tax and Structure Opinion) are consistent with the factual position and intentions of the relevant parties; and (ii) each of the assumptions contained in the Second Tax and Structure Opinion and the Second Jersey Tax and Structure Opinion are consistent with the factual position and intentions of the relevant parties.

Timing of representations and warranties

The Obligors and each of PPTL and PTL make all of the representations and warranties on the date of the Mall Facility Agreement, on the date of the first Utilisation Request and the first Utilisation Date.

The representations made in paragraphs (a) – (g)(ii) inclusive and (j) – (ff) inclusive (but not including limb (i) of paragraph (m) and limbs (v) – (vi) inclusive of paragraph (r)) are repeating representations (the **Repeating Representations**).

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on:

- (a) the date of each Utilisation Request;

- (b) each Utilisation Date;
- (c) the first day of each Mall Loan Interest Period;
- (d) the date of any Property Substitution;
- (e) the date of any Additional Property Accession; and
- (f) the date of (x) publication of a prospectus and of any preliminary prospectus (or, in either case, any other offering document) or (y) the issuance of notes or debt instruments, in each case in connection with the issue of the Class A Notes.

All the representations and warranties are also deemed to be made by each Additional Guarantor on the day on which it becomes an Additional Guarantor.

Undertakings

Each Obligor has given various undertakings under the Mall Facility Agreement which remain in force for so long as any amount is outstanding under the Finance Documents or any commitment is in force. These undertakings include, among other things, the following (subject, in each case, to the specific terms and concessions in the Mall Facility Agreement):

Information undertakings

- (a) *Financial statements*: an undertaking by the Borrower to provide to the Mall Loan Facility Agent (in sufficient copies for all the Lenders): (i) as soon as the same become available, but in any event within 180 days after the end of each of its financial years, its audited consolidated financial statements for that financial year and to the extent produced, the audited financial statements of each Obligor for that financial year and if audited statements are not available, the unaudited financial statements as soon as the same become available, but in any event within 60 days after the end of each half of each of its financial years, its consolidated management accounts financial statements for that financial half-year; and (ii) as soon as the same become available, but in any event within 25 Business Days after the end of each calendar quarter, the Borrower's consolidated management accounts for that calendar quarter and the management accounts and management cashflows produced by, or for, any Obligor for that calendar quarter;
- (b) *Compliance certificate*: an undertaking by the Borrower to provide to the Mall Loan Facility Agent a Compliance Certificate with each quarterly report setting out in reasonable detail computations as to compliance with the financial covenant provisions delivered under the Mall Facility Agreement;
- (c) *Requirements as to financial statements*: each set of financial statements delivered by the Borrower pursuant to the Mall Facility Agreement shall be prepared using GAAP and certified by a director of the relevant company as giving a true and fair view (if audited) or fairly representing (if unaudited) its financial condition as at the date at which those financial statements were drawn up;
- (d) *Monitoring of Property*: an undertaking by the Borrower to provide to the Mall Loan Facility Agent a quarterly report and to notify the Mall Loan Facility Agent of any offer to purchase a Property where such an offer is, in the opinion of the Borrower, bona fide, on terms the Borrower considers commonly acceptable and which the Borrower considers is relatively likely to proceed as at the rent quarter date preceding the relevant Mall Loan Payment Date;

- (e) *Miscellaneous*: an undertaking by the Obligors to supply to the Mall Loan Facility Agent various documents (in sufficient copies for all the Lenders if the Mall Loan Facility Agent so requests) including: (i) all documents dispatched by the Borrower or the General Partner to its shareholders or partners or its creditors generally (or any class of them); (ii) various documents relating to the Partnership Agreement or any other document in relation to extending the duration of the Partnership; (iii) details of any litigations, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group which may be adversely determined and, if adversely determined, reasonably expected to have a Material Adverse Effect; (iv) further information regarding the financial condition, business and operations of any member of the Group as any Finance Party may reasonably request; and (v) evidence of the acquisition of any Minority Interests by the C&R Entities and reasonable details in relation to such acquisition (including the number of units acquired and the redemption price or purchase price of such units).
- (f) *Notification of Mall Loan Default*: an undertaking by each Obligor to notify the Mall Loan Facility Agent of any Mall Loan Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor); and
- (g) *“Know your customer” checks*: an undertaking by each Obligor to supply such documentation and evidence as is reasonably requested by the Mall Loan Facility Agent or a Finance Party to carry out all necessary “know you customer” or other similar checks under all applicable laws and regulations.

Financial covenants

- (a) *Scope of financial covenants*

The Borrower is required to ensure compliance with the following financial covenants:

- (i) that, at any time, Projected Interest Cover is at least 125 per cent.; and
- (ii) that, at any time, LTV does not exceed 75 per cent.

- (b) *Cure rights*

- (i) LTV

If the LTV ratio is not met the Borrower must within 30 days of the earlier of (AA) becoming aware of such breach, (BB) delivery of a Compliance Certificate evidencing such breach or (CC) receipt of a Valuation evidencing such breach, serve a notice in writing on the Mall Loan Facility Agent of its intention to:

- (A) deposit into the Equity Cure Account an amount such that following the deposit, the LTV would then be less than or equal to 75 per cent. (the **LTV Cure Amount**). The Borrower shall provide such LTV Cure Amount by way of New Equity Contributions, Subordinated Debt or transfer from the General Account; or
- (B) undertake an Additional Property Accession such that following the Additional Property Accession, the LTV ratio would be less than or equal to 75 per cent.

If, following the date of the deposit of the LTV Cure Amount into the Equity Cure Account, the LTV is not more than 75 per cent. (such calculation to exclude all amounts standing to the credit of the Equity Cure Account) for two consecutive Mall Loan Interest Periods, the Mall Loan Security Agent shall transfer the LTV Cure Amount from the Equity Cure Account into the Partnership Account.

(ii) Projected Interest Cover

If the Projected Interest Cover ratio is, on any Mall Loan Payment Date, less than 125 per cent., the Borrower must within 30 days of the earlier of (AA) becoming aware of such breach or (BB) a Compliance Certificate evidencing such breach, serve a notice in writing on the Mall Loan Facility Agent of its intention to deposit such an amount into the Equity Cure Account that following the deposit, the Projected Interest Cover would be equal to or more than 125 per cent. (the **ICR Cure Amount**). The Borrower shall provide the ICR Cure Amount by way of New Equity Contributions, Subordinated Debt or transfer from the General Account.

For each of the four Mall Loan Payment Dates following the Mall Loan Payment Date in respect of which the Equity Cure is exercised, the Mall Loan Security Agent shall transfer five Business Days prior to each relevant Mall Loan Payment Date into the Cash Management Account an apportioned amount of the ICR Cure Amount for the Mall Loan Interest Period ending on that Mall Loan Payment Date.

(iii) General

The cure rights described above may not be exercised:

- (A) in any two consecutive Mall Loan Interest Periods; or
- (B) in aggregate, more than four times during the life of the facility.

(c) *Recalculation after an Equity Cure – LTV*

An Equity Cure for the LTV ratio shall be taken into account such that LTV shall be recalculated so that:

- (i) for the breach of the financial covenant in respect of which the relevant Equity Cure is exercised:
 - (A) upon deposit of the LTV Cure Amount into the Equity Cure Account, the LTV financial covenant shall (without prejudice to any subsequent breach) be recalculated by reducing the amount of the Mall Loan in that calculation by the LTV Cure Amount; or
 - (B) from the date that the relevant Additional Property Accession becomes effective, the LTV financial covenant shall (without prejudice to any subsequent breach) be recalculated by using the aggregate market value of the Properties as shown in the Valuation of the Properties obtained as part of the Additional Property Accession,

and shall in each case be deemed to have been satisfied as at the date of the deposit or the date of the Additional Property Accession (as relevant) for all purposes under the Finance Documents; and

- (ii) where a breach of the LTV ratio was cured by the deposit of an LTV Cure Amount in the Equity Cure Account, an amount in the Equity Cure Account equal to that LTV Cure Amount may be deducted from the amount of the Mall Loans outstanding for the purposes of calculating compliance with the LTV financial covenant.

(d) *Recalculation after an Equity Cure – Projected Interest Cover*

An Equity Cure for Projected Interest Cover shall be taken into account such that that Projected Interest Cover financial covenant shall be recalculated as follows:

- (i) for the calculation period in respect of which the relevant Equity Cure is exercised, the deposit of an ICR Cure Amount into the Equity Cure Account shall be deemed to increase the Passing Rental for that calculation by the ICR Cure Amount and the Projected Interest Cover financial covenant shall (without prejudice to any subsequent breach) be deemed to have been satisfied as at the date of that deposit for all purposes under the Finance Documents; and
- (ii) for each calculation period commencing on the three Mall Loan Payment Dates following the calculation period in respect of which the relevant Equity Cure is exercised, in calculating Projected Interest Cover, Passing Rental shall be deemed to include the ICR Cure Amount for that Equity Cure less any apportioned ICR Cure Amount for that Equity Cure referable to a Mall Loan Interest Period ending on or before the Mall Loan Payment Date on which the relevant calculation period commences.

General undertakings

- (a) *Authorisations*: an undertaking by each Obligor to obtain, comply with and do all that is necessary to maintain in full force and effect and supply certified copies to the Mall Loan Facility Agent of any Authorisation required under any applicable law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Mall Loan Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence in each relevant jurisdiction of any Mall Loan Transaction Document to which it is a party or own its assets and carry on its business as it is being conducted;
- (b) *Compliance with laws*: an undertaking by each Obligor to comply in all respects with all laws to which it may be subject, if failure to comply has or is reasonably likely to have a Material Adverse Effect;
- (c) *Negative pledge*: an undertaking by each Obligor not to create or allow to exist any Security over any of its assets or permit to subsist any related obligation or sell, transfer or otherwise dispose of any assets on terms whereby they may be leased to or re-acquired by an Obligor, to sell, transfer or otherwise dispose of any of its receivables on recourse terms, to enter into any arrangement under which money or the benefit of a bank or other account may be applied or set-off, or to enter into any other preferential arrangement having a similar effect, except for:
 - (i) any Security constituted by the Mall Loan Security Documents;
 - (ii) any lien arising by operation of law and in the ordinary course of trading;
 - (iii) any Security created with the prior written consent of the Mall Loan Facility Agent (acting on the instructions of the Majority Lender);

- (d) *Disposals*: an undertaking by each Obligor not to enter into any transaction to dispose of all or any part of any asset except for any disposal:
- (i) permitted under the provisions of the Mall Facility Agreement relating to Occupational Leases;
 - (ii) of a Property as set out in more detail under the heading “Disposal of a Property or shares in an Obligor”;
 - (iii) of cash by way of payment out of an Obligor Account in accordance with the Mall Facility Agreement;
 - (iv) made in the ordinary course of trading of any asset subject to the floating charge created under the English Security Agreement;
 - (v) of assets (other than Properties or shares or units in any Obligor), in exchange for assets of comparable or superior quality, value or type; or
 - (vi) of obsolete assets (other than Properties or shares or units in any Obligor) which have outlasted their useful life and which are no longer required for the operation of the business where such disposals do not exceed £2,000,000 in aggregate over the term of the Mall Facility Agreement;
- (e) *Financial indebtedness*: an undertaking by each Obligor not to incur or permit to be outstanding any Financial Indebtedness except for Permitted Financial Indebtedness;
- (f) *Lending and guarantees*: (i) an undertaking by each Obligor not to be the creditor in respect of any loan or any form of credit to any person other than: (A) to another Obligor by way of Subordinated Debt; (B) that is granted in the ordinary course of the Obligor’s business which is not overdue or outstanding for more than 90 days and which is not greater than £200,000 when aggregated with other amounts permitted under this undertaking; or (C) with the consent of the Majority Lenders; and (ii) an undertaking by each Obligor that it will not give or allow to be outstanding any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person other than (A) any guarantee or indemnity given under the Finance Documents; or (B) any guarantee given in favour of a contractual counterparty in relation to obligations and/or liabilities of an Obligor in relation to any demolition, construction, alterations, development or similar operations, maintenance, Tenant Incentives, refurbishment or repairs expressly permitted under the Mall Facility Agreement;
- (g) *Mergers*: an undertaking that no Obligor may enter into any amalgamation, demerger, merger or corporate reconstruction;
- (h) *Change of business*: an undertaking from each Obligor: (i) that it shall not carry on any business other than: (A) in the case of the Borrower and the General Partners, the ownership of other Obligors; (B) in the case of the GP Shareholder, the ownership of the General Partner; and (C) in the case of each other Obligor, the ownership and management of its interests in the Property or Properties in which it has an interest and/or the ownership of another Obligor(s); (ii) that no Obligor may have any Subsidiary other than another Obligor; and (iii) an undertaking from the Borrower that it shall not cease to carry on the business of the Group except as permitted under the Mall Facility Agreement;
- (i) *Acquisitions*: no Obligor may make any acquisition or investment otherwise than as permitted under the Mall Facility Agreement;

- (j) *Other agreements*: an undertaking from each Obligor not to enter into any material agreement except for the Mall Loan Transaction Documents, the Lease Documents, any agreements required for the day-to-day management of the Property entered into in the ordinary course of the management and ownership of the Properties and any other agreement expressly allowed under any other term of the Mall Facility Agreement;
- (k) *Shares, dividends and share redemption*: an undertaking from the Borrower that it will not issue further partnership interests which are not subject to Mall Loan Security, admit any new partners or amend any rights attaching to its issued partnership interests and an undertaking from each Obligor that it will not: (i) issue any further shares or alter any rights attaching to its issued shares as at the date of the Mall Facility Agreement; and (ii) declare, make or pay any dividend, charge, fee or other distribution on or in respect of its share capital (or any class of its share capital), repay or distribute any dividend or share premium reserve, pay any management, advisory or other fee to any of the shareholders of the Borrower or redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so or pay any management, advisory or other fee to or to the order of any Limited Partner or the General Partner except for a Permitted Payment;
- (l) *Subordinated Debt*: an undertaking from the Borrower not to: (i) repay or prepay any principal amount (or capitalised interest) outstanding under the Subordinated Debt; (ii) pay any interest, fee or charge accrued or due under the Subordinated Debt; or (iii) purchase, redeem, defease or discharge any amount outstanding under the Subordinated Debt. This undertaking does not apply to a Permitted Payment or any action permitted by the terms of the Subordination Agreement or the Partners' Security Agreement;
- (m) *Partnership matters*: (i) an undertaking from each of the Borrower and the General Partner that they shall (and each of them shall ensure that each Limited Partner shall): (A) ensure that no new limited partner shall be admitted as a limited partner under the Partnership Agreement (whether by way of an assignment, sale, transfer or other disposition of any Limited Partner's interest (or part thereof) in the Borrower or the making of a capital contribution by any person or otherwise); (B) comply in all material respects with all their respective obligations under the Partnership Agreement, the Declarations of Trust, the Limited Partnerships Act 1907 and any other law which applies to limited partnerships; and (C) promptly provide to the Mall Loan Facility Agent a copy of each statement delivered by a Limited Partner or the General Partner to the Registrar of Limited Partnerships under section 9 of the Limited Partnerships Act 1907; and each notice required to be advertised in the London Gazette under section 10 of the Limited Partnerships Act 1907; (ii) an undertaking from the General Partner that it shall not, without the prior written consent of the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders), voluntarily withdraw or retire from the Borrower; and (iii) an undertaking from the Borrower that it shall not without the prior written consent of the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) dismiss the General Partner or appoint any alternative or additional general partner;
- (n) *VAT group*: an undertaking from each Obligor that it will not be a member of a value added tax group and it shall not change its VAT status except as permitted under the Mall Facility Agreement or do anything which would cause an option to tax it has made over any Property to be revoked;
- (o) *Mall Loan Taxes*: (i) an undertaking from each Obligor that it will pay all Mall Loan Taxes due and payable before any fine or penalty for late payment accrues unless (and only to the extent that) payment of those taxes is being contested in good faith, adequate reserves are being maintained for those Mall Loan Taxes and the costs required to contest them and failure to pay those Mall Loan Taxes is not reasonably likely to have a Material Adverse Effect; (ii) an undertaking from each Obligor, other than Wood Green London Limited and Selborne

Walthamstow Limited that its residence for Mall Loan Tax purposes is in the jurisdiction of its incorporation; and that (iii) each of Wood Green London Limited and Selborne Walthamstow Limited shall ensure that its residence for Mall Loan Tax purposes is in the jurisdiction of England and Wales;

- (p) *Amendments to Mall Loan Transaction Documents*: an undertaking from each Obligor that it shall not: (i) amend, vary, novate, supplement, supersede, waive or terminate any term of a Mall Loan Transaction Document (other than a Finance Document) other than that in accordance with the terms of the Mall Facility Agreement or with the consent of the Majority Lenders (acting reasonably); (ii) (and each of them shall ensure that no Limited Partner shall) without the prior written consent of the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders acting reasonably): (A) agree to any amendment, waiver, termination or release in respect of the Partnership Agreement, the Governance Agreement, the Declarations of Trust or Trust Instruments (other than as permitted under paragraph (a) above); (B) reduce their partnership proportion as set out in the Partnership Agreement, including, without limitation, by way of adjustment to the capital contributions, the making or repaying of any loan (other than where such repayment is permitted under the Mall Facility Agreement other than (in the case of the General Partner) in respect of a New Equity Contribution in which the General Partner does not participate; (C) transfer or assign any interest it has in the General Partner, the Camberley Trustees, or the Borrower; (D) enter into any agreement or arrangement which would constitute a breach of the terms of the Finance Documents, the Governance Agreement or the Partnership Agreement; or (E) take any step to wind up or dissolve the Borrower, in each case except as required by law;
- (q) *Regulated Activities*: (i) an undertaking from the General Partner and (in so far as it is able) the Limited Partner that it shall ensure that either the Borrower is always managed and operated by a person authorised to do so under FSMA or that the Borrower is (subject at all times to compliance with the terms of the Mall Facility Agreement) managed and operated from a place outside of the United Kingdom; and (ii) an undertaking from the Borrower and Capital & Regional Jersey Limited that it shall ensure that either the Camberley Unit Trust is always managed and operated by a person authorised to do so under FSMA or that the Camberley Unit Trust is (subject at all times to compliance with the terms of the Mall Facility Agreement) managed and operated from a place outside of the United Kingdom;
- (r) *Ownership*: an undertaking from the Borrower and the General Partner that: (i) at all times they legally and beneficially own and control (either directly or through wholly owned Subsidiaries) the entire share and unit capital of each Obligor (other than themselves and the Camberley Unit Trust and the GP Shareholder); (ii) at all times they legally and beneficially own and control the entire unit capital of the Camberley Unit Trust; and (iii) an undertaking from the GP Shareholder that at all times it legally and beneficially owns and controls the entire share capital of the General Partner;
- (s) *Camberley Trustees*: an undertaking from the Camberley Trustees that they will: (i) maintain the accounts, books and records of the Camberley Unit Trust separately from any other person; (ii) maintain separate accounts and financial statements in respect of the Camberley Unit Trust; (iii) not co-mingle the assets of the Camberley Unit Trust with those of any other person; (iv) conduct the business of the Camberley Unit Trust in its own name; (v) only enter into transactions in accordance with the Finance Documents and the Camberley Trust Instrument, in good faith for the benefit of the unitholders, on arm's length terms and for full market value; (vi) discharge all obligations and liabilities due and owing by it from the Camberley Unit Trust or Income; and (vii) not acquire or allow to be transferred to it any obligations or securities of any unitholders of the Camberley Unit Trust;

- (t) *Trust Documents*: an undertaking from the Camberley Trustees that they shall not without the prior written consent of the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders whose exercise of such consent is not to be unreasonably withheld or delayed but may be subject to such conditions as to replacement security, accession or other documentation as the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) may reasonably require): (i) terminate, amend, waive or agree to any termination, amendment or waiver of the Camberley Trust Instrument except to the extent that such termination, amendment or waiver would not adversely impact the interests of the Finance Parties or the tax position of the Mall Loan Transaction Obligors or would not prejudice the validity or enforceability of any Mall Loan Security; (ii) retire as, or admit, replace or remove any trustee of the relevant Unit Trust; or (iii) amend or permit the amendment of the terms of issue of any units, or any rights attaching thereto, except as required by law;
- (u) *Payments to other accounts*: an undertaking from each Obligor that on and from the first Utilisation Date, it shall not pay any amount or allow any amount to be paid into any account held by or on behalf of an Obligor other than payments into an Obligor Account in accordance with the Mall Facility Agreement;
- (v) *Use of funds*: an undertaking from the Borrower that it will procure that the distributions made by it to the Mall Unit Trust to enable the Mall Unit Trust to make payments to the C&R Entities for the costs in connection with the acquisition of the units of the retiring unitholders will be applied for this purpose only.

Property undertakings

- (a) *Title*: an undertaking by each Obligor that: (i) it must exercise its material rights and comply with any material covenant, stipulation, undertaking or obligation at any time affecting its Property in accordance with the principles of good estate management; (ii) it will not agree to any material amendment, supplement, waiver, surrender or release affecting its Property; and (iii) it will promptly take all such steps as may be necessary or desirable to enable the security created by the Mall Loan Security Documents to be registered, where appropriate, at the Land Registry;
- (b) *Occupational Leases*: an undertaking by each Obligor that it will:
 - (i) unless with the consent of the Majority Lenders (such consent not to be unreasonably withheld or delayed), not: (A) enter into any Agreement for Lease; (B) other than under an Agreement for Lease, grant or agree to grant any new occupational lease; (C) agree to any material amendment, supplement, extension, waiver, surrender or release in respect of any Lease Document; (D) exercise any right to break, determine or extend any Lease Document; (E) commence any forfeiture or irritancy proceedings in respect of any Lease Document; (F) grant any licence or right to use or occupy any part of any Property; (G) consent to any sublease or assignment of any tenant's interest under any Lease Document; (H) agree to any change of use under or rent review (save for any upwards rent review); or (I) serve any notice on any former tenant which would entitle it to a new lease or tenancy save that no breach shall occur if compliance would result in any breach of any Lease Document entered into prior to the date of the Mall Facility Agreement. The Borrower may take any action referred to in (A) to (I) above provided: (i) no Mall Loan Event of Default is continuing; (ii) no Mall Loan Default would occur as a result of such action; (iii) such action is in accordance with the principles of good estate management; and (iv) the action is taken in respect of a Lease Document in relation to which there is or would be less than £250,000 of contracted Rental Income per annum;

- (ii) use all commercially reasonable endeavours to diligently collect or procure to be collected all Rental Income;
 - (iii) exercise its rights and comply with its obligations under each Lease Document where to do so would be in accordance with the principles of good estate management;
 - (iv) use all commercially reasonable endeavours to ensure that each tenant complies with its obligations under each Lease Document where to do so would be in the interests of good estate management;
 - (v) supply to the Mall Loan Facility Agent each Lease Document in respect of a Material Lease, each amendment to a Lease Document and each document recording any rent review in respect of a Lease Document;
 - (vi) use its reasonable endeavours in accordance with the principles of good estate management, to find tenants for any vacant lettable space in the Properties; and
 - (vii) not grant any Lease Document without including in the alienation covenant a provision for the proposed assignor on any assignment to guarantee the obligations of the proposed assignee until that assignee is released as tenant;
- (c) *Headleases*: an undertaking from each Obligor in a proper and timely manner:
- (i) to: (A) exercise its rights and comply with its obligations under each Headlease; (B) use its reasonable endeavours to ensure that each landlord complies with its obligations under each Headlease; (C) if so required by the Mall Loan Security Agent, apply for relief against forfeiture of any Headlease;
 - (ii) after the receipt by an Obligor of any correspondence or notice taking steps or threatening to forfeit any Headlease or in respect of any material breach of any Headlease, to deliver a copy of that correspondence or notice to the Mall Loan Security Agent as soon as reasonably practicable and no later than three Business Days after receipt;
 - (iii) not to amend, supplement, waiver, surrender or release any Headlease, exercise any right to break, determine or extend any Headlease, or agree to any rent review in respect of any Headlease, unless with the consent of the Majority Lenders (such consent not to be unreasonably withheld);
 - (iv) not to do or allow to be done any act as a result of which any Headlease may become liable to forfeiture or irritancy or otherwise be terminated;
 - (v) not to take any action (or permit any action to be taken) in connection with the service of a Refurbishment Notice by any Obligor in respect of the Camberley Property without the consent of the Majority Lenders; and
 - (vi) use reasonable endeavours to procure in relation to the Blackburn Property and the Camberley Property a replacement letter where the original Mall Loan Security Agent is changed from Mount Street Loan Solutions LLP to another entity;
- (d) *Maintenance*: an undertaking from the Borrower to, so far as the law and the terms of any Headlease or Lease Document allow and subject to the principles of good estate management, ensure that all buildings, plant, machinery, fixtures and fittings (excluding tenant's fixtures and fittings) on its Property are in and maintained in accordance with all applicable laws and

regulations in good and substantial repair and condition and, where appropriate, in good working order and such repair, condition and order as to enable them to let in accordance with all applicable laws and regulations;

- (e) *Development*: an undertaking from each Obligor:
 - (i) not to make or to the extent within its control allow to be made, any application for planning permission in respect of any part of its Property, or to carry out or allow to be carried out, any demolition, construction, structural alteration or addition, development or other similar operations in respect of any part of its Property without the consent of the Mall Loan Facility Agent (acting reasonably) except for: (A) the repair and maintenance of buildings, plant, machinery, fixtures and fittings, in accordance with the Mall Loan Transaction Documents and the Lease Documents; (B) any demolition, construction, structural alterations or additions, development or other similar operations in respect of which a Mall Loan Valuer has confirmed in writing to the Mall Loan Facility Agent that there will be no projected decrease in the value of the Property or in respect of which the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) has provided consent; (C) the making of applications for planning permissions and the taking of preliminary steps for the development of any Property; or (D) applications for planning permission made by tenants of the Property for works permitted under the Lease Document; and
 - (ii) to comply in all respects with all planning laws, permissions, agreements and conditions to which its Property may be subject;
- (f) *Notices*: (i) an undertaking by each Obligor: (A) (within 14 days after receipt) to deliver to the Mall Loan Security Agent a copy of any application, requirement, order or notice served or given by any public or local or any other authority or landlord; and (B) (within three Business Days of receipt) to deliver to the Mall Loan Security Agent a copy of any Refurbishment Notice, demand made against an Obligor in respect of an indemnity relating to environmental matters or any other matter which might reasonably be expected to have a material and adverse effect on the value of the relevant Property; (ii) an undertaking by the Borrower that, if any works, repairs, refurbishments, maintenance, upgrades, improvements or similar works in relation to the Camberley Property pursuant to a Refurbishment Notice shall cost (as reasonably estimated by the Borrower) £5,000,000 or more, it shall: (A) consult in good faith with the Lenders for at least 10 Business Days prior to the submission/delivery of any application, requirement, notice, proposal or scheme or entry into any material document or agreement and promptly deliver copies of any such documents to the Lenders as the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) may reasonably require; and (B) without the consent of the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders), such consent not to be unreasonably withheld or delayed, not to take any steps to commence such works or enter into any such documents and to inform the Mall Loan Security Agent of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice;
- (g) *Investigation of title*: an undertaking by each Obligor to grant the Mall Loan Security Agent or its lawyers, at any time when the Mall Loan Facility Agent or Mall Loan Security Agent reasonably considers that a Mall Loan Default is continuing, all reasonable facilities within the power of the Obligor so they can carry out investigations of title to any Property and make such enquiries in relation to any part of the property as a prudent mortgagee might carry out;
- (h) *Power to remedy*: if an Obligor fails to perform any obligations under the Finance Documents affecting a Property, the Obligor must allow the Mall Loan Security Agent or its agents and contractors, upon giving reasonable notice, to enter any part of a Property, comply with or

object to any notice served on the Borrower and take any action which the Mall Loan Security Agent may consider reasonably necessary or desirable to prevent or remedy any breach of any term or to comply with or object to any such notice;

- (i) *Property Manager*: an undertaking from each Obligor: (i) that it shall not appoint any entity as a managing agent or property manager of a Property other than C&R Property Management Limited, that it shall not amend, supplement, extend or waive the terms of appointment of any Property Manager (including any Property Management Agreement) or terminate the appointment of any Property Manager, in each case without the prior consent of, and on terms approved by, the Majority Lenders; and (ii) that it shall ensure that each Property Manager of any Property enters into a Duty of Care Agreement with the Mall Loan Security Agent in form and substance satisfactory to the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) (together with any guarantor of the Property Manager to guarantee performance by the Property Manager of its obligations thereunder), that it acknowledges (together with any guarantor of the Property Manager) to the Mall Loan Security Agent that it has notice of the Security created by the Finance Documents, and that it agrees to pay all amounts received by it on behalf of an Obligor in accordance with the Mall Facility Agreement and without any withholding, set-off or counterclaim;
- (j) *Fund Manager*: an undertaking from each Obligor that: (i) it shall not: appoint any entity as a fund manager other than Aviva Investors Global Services Ltd, that it shall not amend, supplement, extend or waive the terms of appointment of any Fund Manager (including any Fund Manager Agreement) or terminate the appointment of any Fund Manager, in each case without the prior consent of, and on terms approved by, the Majority Lenders; and (ii) that it shall ensure that any Fund Manager enters into a Duty of Care Agreement with the Mall Loan Security Agent in form and substance satisfactory to the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) (together with any guarantor of the Fund Manager to guarantee performance by the Fund Manager of its obligations thereunder) and that it acknowledges (together with any guarantor of the Fund Manager) to the Mall Loan Security Agent that it has notice of the Security created by the Finance Documents;
- (k) *Insurance – content of policies*: an undertaking from the Borrower to effect and maintain insurances with an insurer or underwriters in each case having a Requisite Rating and otherwise acceptable to the Mall Loan Facility Agent and in form and amount acceptable to the Mall Loan Facility Agent and which:
 - (i) insure each Obligor in respect of each Property and the plant and machinery on each Property for their full replacement value against loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes and all other normally insurable risks of loss or damage, including cover for site clearance, shoring or propping up, against acts of terrorism (if available in the market at a reasonably commercial rate) and cover for loss of rent (in respect of a period of not less than three years or, if longer, the minimum period required under the Lease Documents);
 - (ii) includes public liability and third party liability insurance; and
 - (iii) insures such other risks as a prudent company in the same business as such Borrower would insure;
- (l) *Insurance – Mall Loan Security Agent*: an undertaking by the Borrower: (i) to procure that the insurable interests of the Mall Loan Security Agent are insured under each of the Insurances (other than professional indemnity, public liability and third party liability insurances); (ii) to

procure that the Insurances (other than the professional indemnity insurances) contain a non- invalidation and non-vitiating clause, a waiver of the rights of subrogation of the insurer as against the Borrower, the Finance Parties and the tenants of each Property and a loss payee clause in respect of insurance claim payments (excluding any payments made pursuant to third party liability claims) in excess of £150,000 otherwise payable to the Borrower; (iii) to procure that the insurers must give at least 14 days' notice to the Mall Loan Security Agent if any insurer proposes to repudiate, rescind or cancel any Insurance; (iv) to procure that the relevant Obligor must be free to assign all amounts payable to it under the Insurances to the Mall Loan Security Agent; and (v) promptly notify the Mall Loan Facility Agent of the proposed terms of any future renewal of any of the Insurances, any amendment, termination, avoidance or cancellation of any of the Insurances made or, to its knowledge, threatened or pending, any claim or any actual or threatened refusal of any claim where the claim is in excess of £50,000 and any event which has led or may reasonably be expected to lead to a breach by the Borrower of the insurance provisions of the Mall Facility Agreement;

- (m) *Insurance – compliance*: an undertaking by the Borrower to: (i) comply with the terms of the Insurances, not do or permit anything to be done which may make void or voidable any of the Insurances and comply with all reasonable risk improvement requirements of its insurers where failure to do so would result in Insurances being withdrawn; and (ii) ensure each premium is paid promptly within the period prescribed for payment all other things are done so as to keep each of the Insurances in force;
- (n) *Environmental compliance*: an undertaking by each Obligor to comply with all Environmental Law applicable to a Property, to obtain, maintain and ensure compliance with all requisite Environmental Permits applicable to a Property and to implement procedures to monitor compliance with and to limit liability under any Environmental Law applicable to a Property in each case where failure to do so would have or would be reasonably likely to have a Material Adverse Effect result in any liability for a Finance Party;
- (o) *Environmental claims*: an undertaking by the Borrower to notify the Mall Loan Facility Agent if any Environmental Claim is started, or to its knowledge, threatened, or if any circumstances arise which are likely to result in an Environmental Claim or any suspension, revocation or notification of any material Environmental Permit; and
- (p) *Environmental indemnity*: an undertaking from each Obligor to indemnify each Finance Party against any loss or liability which that Finance Party incurs as a result of any actual or alleged breach of any Environmental Law by any person and would not have arisen if a Finance Document has not been entered into unless it is caused by that Finance Party's gross negligence or wilful misconduct.

Disposal of a Property or shares in an Obligor

Subject to the conditions summarised below and as set out in the Mall Facility Agreement, an Obligor may dispose of a Property or the shares in or units in an Obligor.

An Obligor may dispose of a Property or the shares or units in an Obligor if:

- (a) no Mall Loan Default is continuing or would result from that disposal unless the Mall Loan Facility Agent is satisfied (acting on the instructions of the Majority Lenders) that the Mall Loan Default would be remedied following mandatory prepayment of the Mall Loan with the Disposal Proceeds;
- (b) the disposal is on arm's length terms; and

- (c) the net disposal proceeds are not less than the aggregate of:
 - (i) the lower of the outstanding amount of the Secured Liabilities or 110 per cent of the Allocated Mall Loan Amount of that Property; and
 - (ii) an amount determined by the Mall Loan Facility Agent to provide for prepayment fees and any other amount that is or will become due and payable as a result of the application of the net disposal proceeds prepayment of the Mall Loan.

Mall Loan Events of Default

The Mall Facility Agreement contains the following events of default:

- (a) *Non-payment*: failure to pay by any Obligor on the due date an amount then due and payable under the Finance Documents (subject to certain exceptions);
- (b) *Financial covenants*: breach by any Obligor of the financial covenants;
- (c) *Other obligations*: (i) breach by an Obligor of the provisions of the Mall Facility Agreement relating to notification of a Mall Loan Default, the negative pledge disposals, financial indebtedness, lending and guarantees, merger, change of business, acquisitions, other agreements, shares, dividends and share redemptions, amendments to Mall Loan Transaction Documents, Headleases, Property Manager, Fund Managers and Insurances; and (ii) a breach by a Mall Loan Transaction Obligor of any of the other provisions of the Finance Documents, subject to a grace period of ten Business Days;
- (d) *Misrepresentation*: any representation or statement made or deemed to be made by a Mall Loan Transaction Obligor in the Finance Documents or in any other document delivered by or on behalf of any Mall Loan Transaction Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made unless capable of remedy and remedied with 15 Business Days;
- (e) *Cross-default*: (i) any Financial Indebtedness of any Mall Loan Transaction Obligor is not paid when due (after the expiry of any originally applicable grace period) or is declared to be or otherwise becomes due and payable before its specified maturity as a result of an event of default (however described); (ii) any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of an Obligor as a result of an event of default (however described); or (iii) any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of an Obligor due and payable before its specified maturity as a result of any event of default (however described), unless (in each case) the Financial Indebtedness is Subordinated Debt or the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness is less than £150,000 or its equivalent in any other currency or currencies;
- (f) *Insolvency*: (i) any Obligor is unable or admits inability to pay its debts as they fall due, is deemed or is declared to be unable to pay its debts under applicable law or becomes bankrupt as defined in Article 8 of the Interpretation (Jersey) Law 1954; (ii) a Mall Loan Transaction Obligor suspends or threatens to suspend making payments on any of its debts, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness; (iii) the value of the assets of any Obligor is less than its liabilities (taking into account contingent and prospective liabilities but ignoring any Subordinated Debt); and (iv) a moratorium is declared in respect of any indebtedness of any Mall Loan Transaction Obligor;

- (g) *Insolvency proceedings*: a Mall Loan Transaction Obligor is subject to: (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise); (ii) a composition, compromise, assignment or arrangement with any creditor by reason of actual or anticipated financial difficulties; (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of itself or any of its assets; (iv) a Mall Loan Transaction Obligor being declared “bankrupt” as that term is defined in Article 8 of the Interpretation (Jersey) Law 1954 as amended; (v) enforcement of any Security over any assets of a Mall Loan Transaction Obligor; or (vi) any analogous procedure or step is taken in any jurisdiction (subject to a carve out for frivolous or vexatious petitions for winding-up which is discharged, dismissed or stayed within 14 days or solvent liquidation of a member of the Group which has ceased to be an Obligor);
- (h) *Creditors’ process*: (i) any expropriation, attachment, sequestration, distress, diligence, execution or analogous event affects any asset or assets of a Mall Loan Transaction Obligor and is not discharged within 14 days; and (ii) any Unit Trust ceases to be a valid unit trust under Article 7(3) of the Trusts (Jersey) Law 1984;
- (i) *Cessation of business*: an Obligor ceases, or threatens to cease, to carry on business except as a result of any disposal allowed under the Mall Facility Agreement;
- (j) *Unlawfulness*: (i) it is or becomes unlawful for a Mall Loan Transaction Obligor to perform any of its obligations under the Finance Documents; (ii) subject to the Mall Loan Legal Reservations, any obligation of any Mall Loan Transaction Obligor under any Finance Document is not or ceases to be legal, valid, binding or enforceable and the cessation materially and adversely affects the interest of the Finance Parties under the Finance Documents; or (iii) a Mall Loan Security Document does not create a Security it purports to create;
- (k) *Repudiation*: a Mall Loan Transaction Obligor rescinds or repudiates a Finance Document or any of the Mall Loan Security or evidences an intention to rescind or repudiate a Finance Document or any Mall Loan Security;
- (l) *Compulsory purchase*: (i) any part of any Property is compulsorily purchased or the applicable local authority makes an order for the compulsory purchase of all or any part of any Property; and (ii) in the opinion of the Majority Lenders, taking into account the amount and timing of any compensation payable, the compulsory purchase has or will have a Material Adverse Effect;
- (m) *Headlease*: forfeiture or irritancy proceedings with respect to a Headlease are commenced or a Headlease is forfeited or irritated unless the relevant Obligor is diligently pursuing an application for relief against forfeiture and obtains the relief within 30 days of the making of such application or such longer period as the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) may agree;
- (n) *Ownership of the Obligors*: (i) an Obligor (other than the Borrower, the General Partner, the Camberley Unit Trust or the GP Shareholder) is not or ceases to be a legally and beneficially wholly owned Subsidiary of the Borrower or the General Partner; (ii) the Camberley Unit Trust ceases to be the legal and beneficial wholly owned Subsidiary of the Borrower and Capital & Regional Jersey Limited; (iii) the Mall Unit Trust ceases to: (A) own a minimum of 99.95 per cent. of the partnership interests in the Borrower; or (B) be the sole limited partner of the Borrower; (iv) the General Partner ceases to be the sole general partner of the Borrower; (v) the GP Shareholder ceases to be the beneficial owner of the entire issued share

capital of the General Partner; and (vi) the Unit Trust Trustees cease to be the only trustees of the relevant Unit Trust; or

- (o) *Material adverse change*: any event or series of events occurs which, in the opinion of the Majority Lenders (acting reasonably), has or is reasonably likely to have a Material Adverse Effect.

Acceleration

The Mall Facility Agreement provides that if a Mall Loan Event of Default is continuing, the Mall Loan Facility Agent may, and must if instructed by the Majority Lenders, by notice to the Borrower: (i) cancel all or part of the Total Commitments; and/or (ii) declare that all or part of the Mall Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable; (iii) declare that all or part of the Mall Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be payable on demand by the Mall Loan Facility Agent acting on the instructions of the Majority Lenders; and/or (iv) exercise or direct the Mall Loan Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

Partial payments

If the Mall Loan Facility Agent or the Mall Loan Security Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Mall Loan Facility Agent or the Mall Loan Security Agent (as applicable) must apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

- (a) first, in or towards payment *pro rata* of any unpaid amount owing to the Mall Loan Facility Agent, the Mall Loan Security Agent, any Receiver or Delegate under the Finance Documents;
- (b) secondly, in or towards payment *pro rata* of any accrued interest on any Property Protection Loan due but unpaid under the Mall Facility Agreement;
- (c) thirdly, in or towards payment *pro rata* of any principal of any Property Protection Loan due but unpaid under the Mall Facility Agreement;
- (d) fourthly, in or towards payment *pro rata* of any accrued interest or fee due but unpaid under the Mall Facility Agreement;
- (e) fifthly, in or towards payment *pro rata* of any principal due but unpaid under the Mall Facility Agreement; and
- (f) sixthly, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

The Mall Loan Facility Agent or the Mall Loan Security Agent (as relevant) must, if so directed by all the Lenders, vary the order as set out in paragraphs (b)-(f) above. Any such variation may include the reordering of obligations set out in any of the above paragraphs.

The above overrides any appropriation made by an Obligor.

Amendments and waivers

Majority Lender matters/all Lender matters

The Mall Facility Agreement provides that any term of the Finance Documents may be amended or waived only with the consent of the Borrower and the Majority Lenders (any such amendment or waiver to be binding on all the parties), subject to certain amendments or waivers set out in the Mall Facility Agreement which cannot be made without the prior consent of all the Lenders. Such all-party consent amendments and waivers generally relate to the following:

- (a) any change to the definition of Majority Lenders;
- (b) an extension to the date of payments of amounts under the Finance Documents;
- (c) a release of any Mall Loan Security Document;
- (d) a reduction in Mall Loan Margin or other pricing provisions;
- (e) an increase to the Commitment of a Lender, the Total Commitments or an extension of any Availability Period;
- (f) a change to the Obligor other than in accordance with the provisions of the Mall Facility Agreement;
- (g) any change to the nature or scope of:
 - (i) the guarantee or indemnity given under the Mall Facility Agreement;
 - (ii) the Security Assets; or
 - (iii) the manner in which the proceeds of enforcement of the Mall Loan Security are distributed;
- (h) any provision which expressly requires the consent of all the Lenders;
- (i) the release of any guarantee or indemnity unless permitted under any Finance Document or which relates to the sale or disposal of an asset which is the subject of Mall Loan Security and where such sale or disposal is permitted under any Finance Document; and
- (j) certain other specific provisions of the Mall Facility Agreement, such as, without limitation, those relating to the governing law of the Mall Facility Agreement, the manner of application of mandatory prepayments, changes to the Lenders, additional property accession and substitution of Properties.

Economic Participants

Pursuant to the terms of a side letter dated 30 May 2014 between the Borrower and the Original Lender, the Borrower and the Original Lender have agreed that, at any time whilst the number of persons with a direct or indirect economic interest in any Commitment under the Mall Facility Agreement (an **Economic Participant**) is equal to or less than two, no amendment, waiver or consent may be made in relation to any of the financial covenant provisions without the consent of all of the Economic Participants.

Consent of Mall Loan Facility Agent/Mall Loan Security Agent/Mall Loan Arranger

An amendment or waiver relating to the rights or obligations of the Mall Loan Facility Agent, the Mall Loan Security Agent or the Mall Loan Arranger (each in their capacity as such) can only be made with the consent of the Mall Loan Facility Agent, the Mall Loan Security Agent or the Mall Loan Arranger, respectively.

“Snooze you lose”

If any Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any of the terms of any Finance Document or other vote of Lenders under the terms of the Mall Facility Agreement within 10 Business Days of that request being notified in writing to the Lenders by the Mall Loan Facility Agent, its Commitment and/or participation shall not be included for the purpose of calculating the Total Commitments or participations (including for the avoidance of doubt, unanimity) when ascertaining whether any relevant percentage of Total Commitments and/or participations has been obtained to approve the request.

INTER-COMPANY LENDING ARRANGEMENTS

Inter-company lending arrangements

As at the date of this Offering Circular, there are two outstanding intercompany loan balances within the Group:

- (a) a balance of £2,006,243 plus £15,755 of costs owed by The Main Square Camberley Unit Trust to the Borrower; and
- (b) a balance of £75,706 owed by the General Partner to the Borrower.

The inter-company loans are subject to the terms of the Subordination Agreement. Accordingly, each loan made pursuant to the inter-company loan agreements constitutes a subordinated obligation of the borrowing entity. The lending entity's right to repayment of that loan ranks subordinate in rights of payment and repayment to that of all other indebtedness of the borrowing entity (including the Senior Debt).

Subordination Agreement

Pursuant to the terms of the Subordination Agreement, the Subordinated Creditors agree that all Subordinated Debt is subordinate in right of payment to all liabilities payable or owing by any Debtor to a Finance Party under or in connection with the Finance Documents (the **Senior Debt**). Payment of any amount of Subordinated Debt (except in the case of a Permitted Payment) is conditional upon each Debtor having irrevocably paid in full all of the Senior Debt.

A permitted payment is:

- (a) a payment by an Obligor to the Mall Unit Trust or a Subordinated Creditor out of moneys standing to the credit of the Partnership Account or the General Account;
- (b) a transfer of amounts from the Partnership Account or the General Account;
- (c) any payment made between Obligors which are party to the Subordination Agreement; or
- (d) the payment of distributions by the Borrower to the Mall Unit Trust (being funds drawn pursuant to the utilisation on 5 November 2014):
 - (i) to fund the redemption of some or all of the Minority Interests pursuant to a fixed price redemption offer or pursuant to a continuation vote; and/or
 - (ii) to enable the Mall Unit Trust to make a distribution or other payment to one or more of the C&R Entities for any costs incurred (including purchase price) by the C&R Entities in acquiring some or all of the units of retiring unitholders (which constitute Minority Interests), such units being acquired at a price calculated in accordance with the retirement provisions of the Mall Trust Instrument or by way of private treaty; and/or
 - (iii) where permitted in accordance with the terms of the Mall Facility Agreement, for the general corporate purposes of the Borrower to be applied in accordance with the terms of the Finance Documents,

in each case where no Mall Loan Default is continuing and no Mall Loan Default would result from the payment (a **Permitted Payment**).

THE STRUCTURE OF THE BANK ACCOUNTS

Borrower's bank accounts

The Borrower has opened and is obliged to maintain the following accounts in its name:

- (a) *a Cash Management Account*: the Mall Loan Security Agent has sole signing rights in relation to this account. Each Obligor must ensure that Swept Rental Income and amounts payable to the Borrower under any Hedging Agreement (other than any termination payments) are paid into the Cash Management Account. This does not apply to Lease Prepayment Proceeds or Rental Income which is received by way of rent deposit provided such amounts are held in the Client Rent Deposit Account. The Mall Loan Security Agent may withdraw amounts from the Cash Management Account to: (i) meet amounts due under a Headlease; and (ii) make certain payments on each Mall Loan Payment Date;
- (b) *a Prepayment Account*: the Mall Loan Security Agent has sole signing rights in relation to this account. The Obligors must ensure that all Lease Prepayment Proceeds, Insurance Prepayment Proceeds, Compensation Prepayment Proceeds and Recovery Prepayment Proceeds are paid promptly upon receipt into the Prepayment Account. On each Mall Loan Payment Date (or earlier at the request of the Borrower if it gives the Mall Loan Facility Agent not less than five Business Days' notice) such amounts are applied by the Mall Loan Security Agent in prepayment of the Mall Loan in accordance with the prepayment provisions of the Mall Facility Agreement;
- (c) *a Disposals Account*: the Mall Loan Security Agent has sole signing rights in relation to this account. The Obligors must ensure that Disposal Proceeds, unless they are applied in prepayment of the Mall Loan in accordance with the Mall Facility Agreement or are paid into the Property Substitution Deposit Account, are paid immediately upon receipt into the Disposals Account. On each Mall Loan Payment Date (or earlier at the request of the Borrower if it gives the Mall Loan Facility Agent not less than five Business Days' notice) such amounts are applied by the Mall Loan Security Agent in prepayment of the Mall Loan in accordance with the prepayment provisions of the Mall Facility Agreement;
- (d) *a Cash Trap Account*: the Mall Loan Security Agent has sole signing rights in relation to this account. The Mall Loan Security Agent shall pay amounts into the Cash Trap Account in accordance with the payment waterfall out of the Cash Management Account. If on any Mall Loan Payment Date, amounts standing to the credit of the Cash Management Account are insufficient to discharge items (i) to (iv) inclusive of the payment waterfall, the Mall Loan Security Agent shall apply amounts standing to the credit of the Cash Trap Account to those amounts. Alternatively, if on a Mall Loan Payment Date, the conditions set out in paragraphs (a) to (c) inclusive of the definition of Cash Trap Off Trigger are satisfied on that Mall Loan Payment Date and were satisfied on the immediately preceding Mall Loan Payment Date, the Mall Loan Security Agent shall transfer all amounts standing to the credit of the Cash Trap Account to the Partnership Account;
- (e) *an Equity Cure Account*: the Mall Loan Security Agent has sole signing rights in relation to this account. The Borrower shall deposit ICR Cure Amounts and LTV Cure Amounts in this account and the Mall Loan Security Agent shall withdraw these amounts in accordance with the provisions of the Mall Facility Agreement. The Mall Loan Security Agent is only obliged to make withdrawals from the Equity Cure Account if no Mall Loan Event of Default is outstanding;

- (f) *a Reletting Reserve Account*: the Borrower has signing rights in relation to this account. The Borrower may also allow the Property Manager to have signing rights in relation to this account. Only Reletting Reserve Amounts may be paid into the Reletting Reserve Account and amounts may only be withdrawn for application directly towards payment of Tenant Incentives within 365 days of receipt of such amount. No amounts may be held in the Reletting Reserve Account for more than 365 days unless such amount is contractually committed to be applied towards payment of Tenant Incentives. Amounts held in the account for more than 365 days will be transferred to the Prepayment Account as Lease Prepayment Proceeds;
- (g) *a Property Substitution Deposit Account*: the Mall Loan Security Agent has sole signing rights in relation to the Property Substitution Deposit Account. If the Borrower deposits an amount in the Property Substitution Deposit Account, the Mall Loan Security Agent shall either transfer that amount to the Partnership Account on the date of completion of the relevant Property Substitution with such amounts to be applied towards the purchase of the Substitute Property or, if completion has not occurred within 12 months of the date of the deposit, apply that amount first in prepayment of any outstanding Floating Rate Mall Loan and secondly in prepayment of any outstanding Securitised Loan and outstanding Retained Fixed Rate Mall Loan *pro rata*. The Mall Loan Security Agent is only obliged to make withdrawals from the Property Substitution Deposit Account if no Mall Loan Event of Default is outstanding;
- (h) *Collection Accounts*: the Property Manager has signing rights in relation to each Collection Account. The Borrower must ensure that the Property Manager collects Rental Income, deposits this into the Collection Account and pays all Swept Rental Income into the Cash Management Account on the last Business Day of each Month and the Business Day immediately preceding each Mall Loan Payment Date. The Property Manager may also at any time pay all Swept Rental Income into the Cash Management Account. The Borrower or the Property Manager may withdraw amounts standing to the credit of a Collection Account which is not Swept Rental Income for application towards Tenant Contributions, Operating Expenses or amounts due or payable on account to HMRC in respect of VAT. At any time when an Account Block Event has occurred, the Mall Loan Security Agent may direct a tenant to pay all Rental Income directly into the Cash Management Account and require the Borrower to procure that the Property Manager transfers all amounts standing to the credit of a Collection Account to the Cash Management Account within three Business Days;
- (i) *a Partnership Account*: the Borrower has signing rights in relation to the Partnership Account. The Borrower must ensure that all Tenant Contributions and Operating Expenses (unless held in a Collection Account, Client Service Charge Account, Client Landlord Revenue Expenditure Account or a Client Insurance Account) and any other amount received which is not specifically required to be paid into another Obligor Account under the Mall Facility Agreement, is paid into the Partnership Account. At any time when a Mall Loan Event of Default is continuing, the Mall Loan Security Agent may operate the Partnership Account, notify the Borrower that its rights to operate the Partnership Account are suspended and withdraw from, and apply amounts standing to the credit of the Partnership Account in or towards any purpose for which monies in any Obligor Account may be applied; and
- (j) *a General Account*: the Borrower has signing rights in relation to this account. The Borrower may only transfer and permit amounts to be transferred to the General Account from the Partnership Account where such transfer constitutes a Permitted Payment. The Borrower may withdraw any amount from the General Account for any purpose including a Permitted Payment. At any time after an Acceleration Event, the Mall Loan Security Agent may operate the General Account, notify the Borrower that its rights to operate the General Account are

suspended and withdraw from and apply amounts standing to the credit of the General Account in or towards any purposes for which monies in any Obligor Account may be applied.

The Borrower may also permit the Property Manager to maintain on its behalf the following accounts:

- (a) *up to nine current accounts each to be designated as a Client Service Charge Accounts*: the Property Manager shall have signing rights in relation to the Client Service Charge Accounts. The Property Manager may transfer amounts representing Tenant Contributions from a Collection Account into a Client Service Charge Account or from a Client Landlord Revenue Expenditure Account into a Client Service Charge Account. The Property Manager may only withdraw amounts standing to the credit of a Client Service Charge Account for direct application towards payment of Tenant Contributions. At any time when an Account Block Event has occurred, upon written request by the Mall Loan Security Agent, the Borrower shall cease to deposit amounts in the Client Service Charge Account and procure that the Property Manager transfers all amounts standing to the credit of any Client Service Charge Account to the Cash Management Account within three Business Days;
- (b) *up to two current accounts each to be designated as a Client Landlord Revenue Expenditure Accounts*: the Property Manager has signing rights in relation to the Client Landlord Revenue Expenditure Accounts. The Property Manager may transfer amounts representing Operating Expenses, including VAT thereon, from a Collection Account into a Client Landlord Revenue Expenditure Account and may transfer amounts between Client Landlord Revenue Expenditure Accounts. The Property Manager may only withdraw amounts standing to the credit of a Client Landlord Revenue Expenditure Account for application towards payment of Operating Expenses (including VAT), where such amounts are Insurance Expenses, to transfer such amounts to a Client Insurance Account or where such amounts are Tenant Contributions, to transfer such amounts to a Client Service Charge Account. At any time once an Account Block Event has occurred, on receiving a written request from the Mall Loan Security Agent, the Borrower shall cease to deposit any amount into the Client Landlord Revenue Expenditure Account and procure that the Property Manager transfers all amounts standing to the credit of any Client Landlord Revenue Expenditure Account to the Cash Management Account within three Business Days;
- (c) *up to two current accounts each to be designated as a Client Insurance Accounts*: the Property Manager shall have signing rights in relation to the Client Insurance Accounts. The Borrower shall procure that the Property Manager only transfers amounts which are Operating Expenses, including any VAT thereon or Tenant Contributions relating to insurance arrangements for the Properties from a Collection Account or a Client Landlord Revenue Expenditure Account into a Client Insurance Account. The Borrower shall procure that the Property Manager may only withdraw amounts standing to the a credit of a Client Insurance Account for application directly towards payment of Insurance Expenses or the payment to HMRC of VAT arising from the receipt of Tenant Contributions relating to insurance arrangements. At any time when an Account Block Event has occurred, on receiving a written request from the Mall Loan Security Agent, the Borrower shall cease to deposit any amount in any Client Insurance Account and procure that the Property Manager transfers all amounts standing to the credit of any Client Insurance Account to the Cash Management Account;
- (d) *up to two deposit accounts, each to be designated as a Client Rent Deposit Account*: the Property Manager shall have signing rights in relation to each Client Rent Deposit Account. The Borrower shall procure that the Property Manager transfers any amount paid by any tenant by way of deposit under a Lease Document into the Client Rent Deposit Account. If a tenant breaches its obligations and the Borrower and/or Property Manager is entitled to use

that tenant's deposit to make good such breach, the Borrower shall procure that the Property Manager transfers the amount of deposit available (and required) into either a Collection Account (in the event of breach of failure to pay Rental Income) or into the Cash Management Account (in any other case);

- (e) *a current account designated as the CRPM Mall Cares Client Account*: the Property Manager shall have signing rights in relation to the CRPM Mall Cares Client Account. The Borrower may deposit and shall procure that the Property Manager deposits amounts paid to the Borrower by way of donation to a charitable fund into the CRPM Mall Cares Client Account. No more than £50,000 may be deposited in any calendar year; and
- (f) *a deposit account designated as the CRPM Mall Lut S/Fund Client Account*: the Property Manager shall have signing rights in relation to the CRPM Mall Lut S/Fund Client Account. No additional amounts are permitted to be deposited into this account although amounts standing to the credit of this account are permitted to be retained in this account provided the balance does not at any time exceed £2,100,000 plus interest. The Property Manager may only make a withdrawal from the CRPM Mall Lut S/Fund Client Account for application towards refurbishment works at Arndale House or, where it determines such amount is no longer required to be held for potential refurbishment works at Arndale House, to transfer such amount into the Partnership Account.

General

The Borrower must ensure that no Obligor Account (other than an Obligor Account over which the Mall Loan Security Agent holds sole signing rights) goes into overdraft.

The monies standing to the credit of an Obligor Account may be applied by the Mall Loan Security Agent in payment of any amount due but unpaid to a Finance Party under the Finance Documents.

See the section entitled "Bank accounts" within the "Description of the Mall Facility Agreement" section for further details on the Borrower's bank accounts.

No Obligor may, without the prior consent of the Mall Loan Facility Agent, maintain any other bank account.

Issuer's Bank Accounts

The Issuer Transaction Account

Pursuant to the Account Bank Agreement, the Account Bank will open and maintain the Issuer Transaction Account (a sterling cash account) into which all collections in respect of the Securitised Loan will be paid. The Issuer (or the Issuer Cash Manager on its behalf) will make payments out of the Issuer Transaction Account in accordance with the terms of the relevant Issuer Transaction Documents.

Other accounts

Such other accounts as the Issuer Cash Manager may be required to open for, or on behalf of, the Issuer and in which the Issuer may at any time acquire any right, title, interest or benefit or otherwise place and hold its cash or securities.

Account Bank minimum rating requirements

The Account Bank Agreement requires that the Account Bank is a bank with a short-term rating of any one of the following:

- (a) F1 (or better) by Fitch;
- (b) P-1 (or better) by Moody's; or
- (c) A-1 (or better) by S&P,

(the **Account Bank Minimum Rating**).

If the Account Bank ceases to have the Account Bank Minimum Rating, the Account Bank will be replaced by the Issuer within 30 days of, or as soon as reasonably practicable following, the date on which the Account Bank no longer holds the Account Bank Minimum Rating, with an account bank that, among other things, holds the Account Bank Minimum Rating.

CASH MANAGEMENT

Issuer Cash Manager

Pursuant to the Cash Management Agreement, the Issuer will appoint the Issuer Cash Manager to be its agent to provide certain cash management services in relation to the Issuer Transaction Account and any other Issuer Accounts. The Issuer Cash Manager will undertake to perform its obligations under the Cash Management Agreement in accordance with good practice according to market standard so as to ensure that amounts received are monitored, allocated, transferred and paid out in accordance with the relevant Issuer Priorities of Payments and the Issuer Transaction Documents. The Issuer Cash Manager will also undertake to comply with any directions, orders and instructions which the Issuer or, following the earlier of enforcement of the Issuer Security and the delivery of an Issuer Debt Acceleration Notice, the Issuer Security Trustee, may from time to time give to the Issuer Cash Manager in accordance with the Cash Management Agreement.

Calculation of amounts and payments

On the relevant Revenue Determination Date, the Issuer Cash Manager is required to determine all amounts due in accordance with the Pre-Acceleration Revenue Priority of Payments on the next Interest Payment Date. On the relevant Principal Determination Date, the Issuer Cash Manager is required to determine all amounts due in accordance with the Pre-Acceleration Principal Allocation Rules on the next Principal Prepayment Date.

In addition, on each Principal Determination Date, the Issuer Cash Manager will calculate the Principal Amount Outstanding and the Note Factor for the Class A Notes for the Issuer Debt Interest Period commencing on the next following Interest Payment Date.

If the Servicer or, as the case may be, the Special Servicer fails to supply the Issuer Cash Manager with any information it requires to make any determinations it is required to make, the Issuer Cash Manager will make all reasonable enquiries of the Servicer or the Special Servicer, as applicable, and the Mall Loan Facility Agent to obtain such information. If the Servicer or the Special Servicer, as applicable, and the Mall Loan Facility Agent fails to provide such information, the Issuer Cash Manager will make its determinations based on the information it does have in connection with payments due on the Class A Notes and the Class B Loan on the relevant Interest Payment Date and/or Principal Prepayment Date. If the Issuer Cash Manager does not have sufficient information to make such determinations it can make its determinations based on information provided to it by the Servicer or, as the case may be, the Special Servicer, on or around the three preceding Revenue Determination Dates or Principal Determination Dates and will not be liable to any person (in the absence of negligence, fraud, material default or material breach) for the accuracy of such determinations.

If for whatever reason, an incorrect payment is made to any party entitled thereto (including either of the Debt Holders) pursuant to the Issuer Priorities of Payments, the Issuer Cash Manager will (subject to having actual notice of an incorrect payment being made or being so instructed by the Issuer) rectify the same by increasing or reducing payments to such party (including either of the Debt Holders), as appropriate, on each subsequent Interest Payment Date(s), Principal Prepayment Date(s) or other date on which a payment to the relevant party is due to the extent required to correct the same. Neither the Issuer nor the Issuer Cash Manager will have any liability to any person for making any such rectification.

Issuer Cash Manager Quarterly Report

The Issuer Cash Manager will, on each Interest Payment Date, make available electronically via its website (as at the date of this Offering Circular, located at www.usbank.com/abs) a statement to the Class A Noteholders, the Class B Lender and the Securitised Loan Seller in respect of the Issuer Debt Interest Period immediately preceding such Interest Payment Date in which it will notify the recipients of, among other things, all amounts received in the Issuer Transaction Account and payments made with respect thereto (the **Issuer Cash Manager Quarterly Report**).

It is not intended that the Issuer Cash Manager Quarterly Reports will be made available in any other format, save in certain limited circumstances with the Issuer Cash Manager's agreement. The Issuer Cash Manager's website does not form part of the information provided for the purposes of this Offering Circular and disclaimers may be posted with respect to the information posted thereon.

Investment by the Issuer Cash Manager

The Issuer Cash Manager is not permitted to exercise any investment discretion in relation to any of the Issuer's funds.

Fees

Pursuant to the Cash Management Agreement, the Issuer will pay to the Issuer Cash Manager on each Interest Payment Date a cash management fee (plus applicable VAT) as agreed between the Issuer Cash Manager and the Issuer and will reimburse the Issuer Cash Manager for all properly and reasonably incurred costs and expenses in the performance of the cash management services.

Termination of Appointment of the Issuer Cash Manager

The appointment of Elavon Financial Services Limited, U.K. Branch as Issuer Cash Manager under the Cash Management Agreement may be terminated by virtue of its resignation or its removal by the Issuer or (following the earlier of the enforcement of the Issuer Security and the delivery of an Issuer Debt Acceleration Notice) the Issuer Security Trustee. The Issuer (prior to the earlier of the enforcement of the Issuer Security and an Issuer Debt Acceleration Notice being given) or the Issuer Security Trustee (following the earlier of the enforcement of the Issuer Security and the delivery of an Issuer Debt Acceleration Notice) may terminate the Issuer Cash Manager's appointment upon not fewer than 30 days' written notice or immediately upon the occurrence of a termination event as prescribed under the Cash Management Agreement, including, among other things:

- (a) provided there are sufficient funds available, a failure by the Issuer Cash Manager to make when due a payment required to be made by the Issuer Cash Manager in accordance with the Cash Management Agreement and such default continues unremedied for three Business Days;
- (b) a failure by the Issuer Cash Manager to maintain all appropriate licences, consents, approvals and authorisations required to perform its obligations under the Cash Management Agreement;
- (c) a default by the Issuer Cash Manager in the performance of any of its other material duties under the Cash Management Agreement which in the opinion of (prior to the earlier of the enforcement of the Issuer Security and an Issuer Debt Acceleration Notice being given) the Issuer or (following the earlier of the enforcement of the Issuer Security and the delivery of an Issuer Debt Acceleration Notice) the Issuer Security Trustee is materially prejudicial to the interests of the Issuer Secured Creditors, which default continues unremedied for ten Business Days; or

(d) the occurrence of an insolvency event in respect of the Issuer Cash Manager.

The termination of the appointment of the Issuer Cash Manager will become effective upon the appointment by the Issuer (with the prior written consent of the Issuer Security Trustee) of a suitably experienced replacement Issuer Cash Manager.

The Issuer Cash Manager may resign as Issuer Cash Manager, upon not fewer than three months' written notice of resignation to each of the Issuer, the Servicer or the Special Servicer, as applicable, the Account Bank and the Issuer Security Trustee, provided that a suitably experienced replacement Issuer Cash Manager has been appointed by the Issuer.

The Class A Noteholders may (by an Ordinary Resolution), provided the consent of the Class B Lender to do so has been obtained (if there is then no outstanding Class A Note Event of Default), direct the Issuer or (following the earlier of enforcement of the Issuer Security and service of an Issuer Debt Acceleration Notice) the Issuer Security Trustee, to terminate the appointment of the Issuer Cash Manager (provided that a suitably experienced replacement Issuer Cash Manager has been appointed by the Issuer).

CASHFLOW AND ISSUER PRIORITIES OF PAYMENTS

1. SUMMARY

Prior to the service of an Issuer Debt Acceleration Notice

Prior to the service of an Issuer Debt Acceleration Notice:

- (a) Revenue Receipts will be applied, on each Interest Payment Date, in accordance with the Pre-Acceleration Revenue Priority of Payments; and
- (b) Principal Receipts, Mall Loan Prepayment Fees (other than Surplus Mall Loan Prepayment Fees), Mall Loan Fixed Rate Break Costs and Mall Loan Prepayment Accrued Interest (other than Surplus Mall Loan Prepayment Accrued Interest) will be applied, on each Principal Prepayment Date, in accordance with the Pre-Acceleration Principal Allocation Rules.

Following the service of an Issuer Debt Acceleration Notice

Following the service of an Issuer Debt Acceleration Notice, Revenue Receipts, Principal Receipts, Mall Loan Prepayment Fees, Mall Loan Fixed Rate Break Costs, Mall Loan Prepayment Accrued Interest and all other amounts (if any) received or recovered by, or on behalf of, the Issuer or the Issuer Security Trustee (as applicable), will be applied in accordance with the Post-Acceleration Priority of Payments.

2. DETERMINATION DATES

Revenue Determination Dates

On each date which is three Business Days prior to each Interest Payment Date (each, a **Revenue Determination Date**) (which Interest Payment Date occurs prior to the service of an Issuer Debt Acceleration Notice), the Issuer Cash Manager will be required, among other things, to calculate, based on information provided to it by the Servicer (where applicable), the following:

- (a) **Revenue Receipts**: in respect of the Interest Payment Date immediately following such Revenue Determination Date (the **Specified Interest Payment Date**), the amount of Revenue Receipts (broken down by category) received or expected to be received during the Issuer Debt Interest Period ending on the Specified Interest Payment Date; and
- (b) **Application**: all amounts due and payable (or for which a provision is to be properly made) according to the Pre-Acceleration Revenue Priority of Payments on the Specified Interest Payment Date.

Principal Determination Dates

On each date which is three Business Days prior to each Principal Prepayment Date (each, a **Principal Determination Date**) (which occurs prior to the service of an Issuer Debt Acceleration Notice), the Issuer Cash Manager will be required, among other things, to calculate, based on information provided to it by the Servicer (where applicable), the following:

- (a) **Principal Receipts**: in respect of the Principal Prepayment Date immediately following such Principal Determination Date (the **Specified Principal Prepayment Date**), the amount of Principal Receipts received on the date being five Business Days prior to the Specified Principal Prepayment Date;

(b) ***Mall Loan prepayment costs and Mall Loan Prepayment Accrued Interest***: in respect of the Specified Principal Prepayment Date, the amount of:

- (i) Mall Loan Fixed Rate Break Costs (if any);
- (ii) Mall Loan Prepayment Fees (if any); and
- (iii) accrued interest on the Principal Receipts referred to in (a) above, to (but excluding) the date of receipt by the Issuer of the same (the **Mall Loan Prepayment Accrued Interest**),

received by or on behalf of the Issuer together with, and in respect of, the Principal Receipts referred to in paragraph (a) above;

(c) ***Principal allocation***: the Class A Principal Redemption Amount and the Class B Principal Redemption Amount for the Specified Principal Prepayment Date, calculated in accordance with the Cash Management Agreement and as further described below under “Pre-Acceleration Principal Allocation Rules”, as well as the amount of any Deemed Revenue Receipts; and

(d) ***Issuer Debt Prepayment Costs and Issuer Debt Prepayment Accrued Interest***: in respect of the Specified Principal Prepayment Date, the amount of:

- (i) Issuer Debt Fixed Rate Break Costs (if any);
- (ii) Class A Note Prepayment Fees (if any); and
- (iii) accrued interest on the:
 - (A) Class A Principal Redemption Amount (excluding at all times any Class A Additional Interest) (as referred to in paragraph (c) above), from (and including) the immediately preceding Interest Payment Date to (but excluding) the Specified Principal Prepayment Date (the **Class A Prepayment Accrued Interest**);
 - (B) the Class B Principal Redemption Amount (as referred to in paragraph (c) above), from (and including) the immediately preceding Interest Payment Date to (but excluding) the Specified Principal Prepayment Date (the **Class B Prepayment Accrued Interest**).

3. REVENUE RECEIPTS AND PRINCIPAL RECEIPTS

Revenue Receipts

Revenue Receipts means in respect of each Issuer Debt Interest Period:

- (a) all amounts of whatever nature received by or on behalf of the Issuer (whether by the Issuer Security Trustee, a receiver or otherwise) in respect of the Securitised Loan during such period, whether by way of interest (including overdue interest and Mall Loan Default Interest), fees, commissions, costs and indemnities, including amounts allocated to the same in respect of any distributions made on any enforcement of the Mall Loan and the Mall Loan Security (including, without limitation, any amount recovered by or on behalf of the Issuer through any claim of whatsoever nature as determined to represent a loss of revenue), **other than** (in all cases) Principal Receipts, Mall Loan Prepayment Fees (other than Surplus Mall

Loan Prepayment Fees), Mall Loan Fixed Rate Break Costs, Mall Loan Prepayment Accrued Interest (other than Surplus Mall Loan Prepayment Accrued Interest) and Mall Loan Tax Credits;

- (b) amounts determined to represent interest and/or revenue or items of a similar nature and received during such period by or on behalf of the Issuer on any sale of the Securitised Loan as an alternative to directing enforcement of the Mall Loan Security; and
- (c) the amount of any other income, payment or distribution (including, without limitation, interest income in respect of any cash deposits held in a bank account of the Issuer and Deemed Revenue Receipts) received during such period by the Issuer, to the extent that the Issuer is not required to pass on such income, payment or distribution to a specified party under the terms of any Issuer Transaction Documents or Finance Documents.

Principal Receipts

Principal Receipts means:

- (a) all amounts of principal received by or on behalf of the Issuer in respect of any repayment or prepayment of the Securitised Loan whether as a result of a voluntary or mandatory repayment or prepayment, including amounts allocated to the same in respect of any distributions made on any enforcement of the Mall Loan and the Mall Loan Security (including, without limitation, any amount recovered by or on behalf of the Issuer through any claim of whatsoever nature as determined to represent a loss of principal), **other than** (in all cases) Mall Loan Prepayment Fees, Mall Loan Fixed Rate Break Costs, Mall Loan Prepayment Accrued Interest, Mall Loan Tax Credits and Deemed Revenue Receipts; and
- (b) amounts determined to represent principal or items of a similar nature and received by or on behalf of the Issuer in respect of any sale of the Securitised Loan as an alternative to directing enforcement of the Mall Loan Security.

4. MISCELLANEOUS

Transfer of funds to the Issuer Transaction Account and application by the Issuer

On each Mall Loan Payment Date or other relevant date on which a payment is to be made to the Issuer pursuant to the Mall Facility Agreement, the Mall Loan Security Agent will transfer (or procure the transfer) from the relevant Obligor Account to the Issuer Transaction Account an amount equal to the aggregate amounts in respect of interest, principal, Mall Loan Prepayment Fees, Mall Loan Fixed Rate Break Costs and/or other amounts, if any, then payable to the Issuer under the Mall Facility Agreement (to the extent that such funds are available in such Obligor Account(s)).

Such funds are to be utilised by or on behalf of the Issuer to make payments to, among others, the Class A Noteholders and the Class B Lender in accordance with, as applicable, the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Allocation Rules or (following the service of an Issuer Debt Acceleration Notice) the Post-Acceleration Priority of Payments, in each case as further described below.

Issuer Priority Payments

The Issuer Cash Manager (on behalf of the Issuer or, following enforcement of the Issuer Security but prior to service of an Issuer Debt Acceleration Notice, the Issuer Security Trustee) will be authorised and instructed to pay any amounts described in paragraph (d) of the Pre-Acceleration Revenue Priority of Payments (such payments being referred to as the **Issuer Priority Payments**) from any

amounts constituting Revenue Receipts standing to the credit of the Issuer Transaction Account in priority to all other payments required to be made by the Issuer on any day (other than an Interest Payment Date) on which such Issuer Priority Payments are payable.

Mall Loan Default Interest/Class A Additional Interest

If the Issuer receives Mall Loan Default Interest under the Mall Facility Agreement during an Issuer Debt Interest Period, such Mall Loan Default Interest will form part of Revenue Receipts for that Issuer Debt Interest Period in respect of the Interest Payment Date immediately following receipt of the Mall Loan Default Interest by the Issuer.

The Class A Noteholders will be allocated the Relevant Percentage of any Mall Loan Default Interest received by the Issuer, to be paid to the Class A Noteholders on the Interest Payment Date immediately following the receipt by the Issuer of such Mall Loan Default Interest (**Class A Additional Interest**) in accordance with the relevant Issuer Priority of Payments.

The payment of Class A Additional Interest to the Class A Noteholders can be deferred in accordance with Condition 5.9 (Class A Additional Interest) (as to which, see the section entitled “Risk factors – Risks relating to the deferral of the Class A Additional Interest”).

Relevant Percentage means the percentage, derived from dividing (i) the weighted average Principal Amount Outstanding of the Class A Notes by (ii) the aggregate of the weighted average Principal Amount Outstanding of the Class A Notes and the weighted average Outstanding Principal Balance of the Class B Loan, each such weighted average calculated daily, for:

- (a) (prior to the service of an Issuer Debt Acceleration Notice) the Issuer Debt Interest Period within which the relevant Revenue Determination Date (on which the Relevant Percentage is being calculated) falls; or
- (b) (following the service of an Issuer Debt Acceleration Notice) the period since the last distribution made in accordance with the relevant Issuer Priority of Payments to the date on which such Class A Additional Interest is to be paid to the Class A Noteholders.

Mall Loan Tax Credits

If it is determined under the Mall Facility Agreement that the Issuer has received a Mall Loan Tax Credit then the Issuer will pay the relevant amount to the relevant Obligor as soon as is reasonably practicable after the same is determined.

5. ISSUER PRIORITIES OF PAYMENTS

Pre-Acceleration Revenue Priority of Payments

Prior to the service of an Issuer Debt Acceleration Notice, on each Interest Payment Date, the Issuer Cash Manager (on behalf of the Issuer or following the enforcement of the Issuer Security but prior to the service of an Issuer Debt Acceleration Notice, on behalf of the Issuer Security Trustee) will apply Revenue Receipts for that Interest Payment Date (subject to the prior payment of the Issuer Priority Payments as described above), in the manner and in order of priority set out as follows (such priority, the **Pre-Acceleration Revenue Priority of Payments**), together with (if payable) VAT thereon, but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *first* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the fees or other remuneration of (and amounts

payable in respect of indemnities) and any costs, charges, liabilities and expenses incurred by and any other amounts due and payable to the Note Trustee and the Issuer Security Trustee, respectively, and, in each case, any Appointees thereof (including, following the enforcement of the Issuer Security, any receiver) pursuant to the Issuer Transaction Documents;

- (b) *second* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of (i) all amounts due but unpaid to the Account Bank under the Account Bank Agreement and (ii) all amounts due but unpaid to the Agents under the Agency Agreement;
- (c) *third* in or towards satisfaction of all amounts due but unpaid to the Corporate Services Provider under the Corporate Services Agreement;
- (d) *fourth* (only prior to the enforcement of Issuer Security) in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the amounts (including, but not limited to, tax adviser fees, costs of tax compliance, legal fees, all auditors' fees, anticipated winding-up costs, fees and expenses associated with the liquidation of the Issuer, fees due to the stock exchange where the Class A Notes are then listed and company secretarial expenses) which are payable by the Issuer to third parties under obligations incurred in the ordinary course of the Issuer's business and incurred without breach by the Issuer of the Note Trust Deed or the Issuer Deed of Charge and not provided for payment elsewhere in this Pre-Acceleration Revenue Priority of Payments, and to provide for any such amounts expected to become due and payable by the Issuer after that Interest Payment Date but prior to the next Interest Payment Date and (but only to the extent that the same cannot be paid or provided for by funds standing to the credit of the Issuer's profit ledger of the Issuer Transaction Account) to provide for the Issuer's liability or potential liability for corporation tax;
- (e) *fifth* (only prior to the enforcement of Issuer Security) to pay an amount equal to the Issuer Profit Amount to the Issuer's profit ledger (which the Issuer may use to meet any United Kingdom corporation tax thereon);
- (f) *sixth* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of (i) all amounts due but unpaid to the Issuer Cash Manager under the Cash Management Agreement and (ii) all amounts due but unpaid to the Servicer or the Special Servicer, as applicable under the Servicing Agreement;
- (g) *seventh* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of (i) interest (excluding Class A Additional Interest and any Class A Prepayment Accrued Interest) due or overdue on the Class A Notes, (ii) (only on the first Interest Payment Date falling on or around 28 January 2015), the Accrued Deferred Consideration to the Securitised Loan Seller and (iii) the Senior Quarterly Deferred Consideration to the Securitised Loan Seller;
- (h) *eighth* in or towards satisfaction of interest (including Deferred Class B Loan Interest but excluding any Class B Prepayment Accrued Interest) due or overdue on the Class B Loan;
- (i) *ninth* in or towards satisfaction of Class A Additional Interest (including any

Deferred Class A Additional Interest) due or overdue on the Class A Notes;

- (j) *tenth* in or towards payment of any amounts in respect of Shortfall Deferred Consideration or Junior Quarterly Deferred Consideration to the Securitised Loan Seller;
- (k) *eleventh* (only following the enforcement of Issuer Security) to pay an amount equal to the Issuer Profit Amount to the Issuer's profit ledger; and
- (l) *twelfth* in or towards payment of any amounts in respect of Surplus Deferred Consideration due to the Securitised Loan Seller.

If no Issuer Debt Acceleration Notice has been served, and the Class A Notes and the Class B Loan have not otherwise become due and payable in full, upon the redemption in full of the Class A Notes and the repayment in full of the Class B Loan, any surplus Revenue Receipts will be applied in accordance with the Pre-Acceleration Revenue Priority of Payments.

Pre-Acceleration Principal Allocation Rules

Principal Redemption Amounts

A Sequential Payment Trigger means:

- (a) on any relevant date, the occurrence of a Mall Loan Event of Default, which has not been remedied or cured in accordance with the Mall Facility Agreement as at such date; or
- (b) the occurrence of an Interest Payment Date or Principal Prepayment Date after the Mall Loan Termination Date; or
- (c) enforcement of the Issuer Security; or
- (d) on any relevant date, the occurrence of a Special Servicing Transfer Event which has not been remedied or cured, resulting in the Securitised Loan being a Specially Serviced Loan as of such date.

The Servicer shall notify the Issuer, the Issuer Security Trustee, the Issuer Cash Manager and the Class B Lender promptly upon becoming aware of a Sequential Payment Trigger and also upon becoming aware of a Sequential Payment Trigger no longer being in existence.

A Sequential Payment Trigger will be deemed to cease to exist on the date on which:

- (i) with respect to (a) above, the relevant Mall Loan Event of Default has been remedied or cured in accordance with the Mall Facility Agreement and there is no other Mall Loan Event of Default subsisting which has not been remedied or cured in accordance with the Mall Facility Agreement; or
- (ii) with respect to (d) above, the Securitised Loan becomes a Corrected Loan.

The Sequential Payment Triggers described in (b) and (c) above cannot be deemed to cease to exist once they have occurred.

The:

- (a) **Class A Principal Redemption Amount** shall be (if there are then Class A Notes outstanding; otherwise it shall be zero) the amount payable to the Class A Noteholders in

accordance with the Pre-Sequential Payment Trigger Principal Priority of Payments or the Post-Sequential Payment Trigger Principal Priority of Payments, as applicable; and

- (b) **Class B Principal Redemption Amount** shall be the amount payable to the Class B Lender in accordance with the Pre-Sequential Payment Trigger Principal Priority of Payments or the Post-Sequential Payment Trigger Principal Priority of Payments, as applicable,

together, the **Principal Redemption Amounts**.

Pre-Sequential Payment Trigger Principal Priority of Payments

If a Sequential Payment Trigger is not in existence on the Principal Determination Date prior to a Principal Prepayment Date, on each such Principal Prepayment Date, the Issuer Cash Manager (on behalf of the Issuer or, following the enforcement of the Issuer Security but prior to the service of an Issuer Debt Acceleration Notice, on behalf of the Issuer Security Trustee) will apply Principal Receipts for that Principal Prepayment Date (such amount, the **Available Redemption Funds**), in the manner and in order of priority set out as follows (such order of priority, the **Pre-Sequential Payment Trigger Principal Priority of Payments**), together with (if payable) VAT thereon, but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *first* in or towards provision for payment of any Principal Workout Fees then due but unpaid to the Special Servicer under the Servicing Agreement;
- (b) *second* in or towards redemption of the Class A Notes in an amount equal to the Class A Proportion of the Available Redemption Funds (disregarding for such purposes, for the avoidance of doubt, any amount paid from Available Redemption Funds pursuant to paragraph (a) above); and
- (c) *third* the balance (after payment of the amounts referred to in paragraphs (a) and (b) above), if any, in or towards repayment or prepayment of principal outstanding under the Class B Loan.

For these purposes, **Class A Proportion** means, in respect of any redemption, repayment or prepayment, the ratio (expressed as a percentage) of:

- (i) the Principal Amount Outstanding of the Class A Notes (immediately prior to such redemption) (the **Class A PAO**); divided by
- (ii) the aggregate of (x) the Class A PAO and (y) the Outstanding Principal Balance of the Class B Loan, immediately prior to such repayment.

Post-Sequential Payment Trigger Principal Priority of Payments

If a Sequential Payment Trigger is in existence on the Principal Determination Date prior to a Principal Prepayment Date, on each such Principal Prepayment Date, the Issuer Cash Manager (on behalf of the Issuer or, following the enforcement of the Issuer Security but prior to the service of an Issuer Debt Acceleration Notice, on behalf of the Issuer Security Trustee) will apply Available Redemption Funds in the manner and in order of priority set out as follows (such order of priority, the **Post-Sequential Payment Trigger Principal Priority of Payments**), together with (if payable) VAT thereon, but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *first* in or towards provision for payment of any Principal Workout Fees and/or Principal Liquidation Fees then due but unpaid to the Special Servicer under the Servicing Agreement;
- (b) *second* in or towards redemption of the Class A Notes until redeemed in full; and
- (c) *third* in or towards repayment or prepayment of principal outstanding under the Class B Loan.

Special Servicer Workout Fees or Liquidation Fees

The amount of any Principal Workout Fees or Principal Liquidation Fees for which provision is made in accordance with item (a) of the Pre-Sequential Payment Trigger Principal Priority of Payments or item (a) of the Post-Sequential Payment Trigger Principal Priority of Payments above will be credited to the Issuer Transaction Account and deemed to be Revenue Receipts (**Deemed Revenue Receipts**) and will be applied in accordance with the Pre-Acceleration Revenue Priority of Payments on the next following Interest Payment Date.

Issuer Debt Prepayment Costs and Issuer Debt Prepayment Accrued Interest

As described in Condition 7.2 (Mandatory redemption from Principal Receipts) and the Class B loan Agreement, prior to the service of an Issuer Debt Acceleration Notice, if the Class A Notes or the Class B Loan are subject to mandatory early redemption in part or in full due to the receipt by the Issuer of a prepayment under the Securitised Loan, the Class A Noteholders or the Class B Lender, as applicable, will be entitled to receive the Class A Fixed Rate Break Costs and the Class B Fixed Rate Break Costs, respectively (if any) and (only in respect of the Class A Noteholders) the Class A Note Prepayment Fee (if any) (together, the **Issuer Debt Prepayment Costs**) and the Issuer Debt Prepayment Accrued Interest (if any) allocated to the Class A Noteholders and/or the Class B Lender on the relevant Principal Prepayment Date.

The Issuer Debt Fixed Rate Break Costs and the Class A Note Prepayment Fees are each only payable in certain circumstances where the corresponding Mall Loan Fixed Rate Break Costs and Mall Loan Prepayment Fees are payable under the Securitised Loan (see the sections entitled “Fees and prepayment fee” and “Mall Loan Fixed Rate Break Costs” within the section entitled “Description of the Mall Facility Agreement” for further details as to when the Mall Loan Fixed Rate Break Costs and the Mall Loan Prepayment Fees are each payable).

- (a) **Issuer Debt Fixed Rate Break Costs** means x in respect of the Class A Notes (being the Class A Fixed Rate Break Costs) and the Class B Loan (being the **Class B Fixed Rate Break Costs**), where:

$$x = A \times \left(\frac{B}{C} \right)$$

A is the Mall Loan Fixed Rate Break Costs received by or on behalf of the Issuer in respect of a particular repayment or prepayment under the Mall Facility Agreement (the **Prepayment**).

B is the Principal Redemption Amount for the Class A Notes (in respect of the calculation of the Class A Fixed Rate Break Costs) or the Class B Loan (in respect of the calculation of the Class B Fixed Rate Break Costs) relating to the Prepayment.

C is the total Principal Redemption Amount on the Class A Notes and the Class B Loan in connection with the Prepayment.

The above calculation will be made separately for the Class A Notes and the Class B Loan (assuming both are subject to mandatory early redemption in accordance with Condition 7.2 (Mandatory redemption from Principal Receipts)). In the event that the aggregate Issuer Debt Fixed Rate Break Costs as calculated would exceed the relevant Mall Loan Fixed Rate Break Costs received, the shortfall shall first be applied so as to reduce the amount of Class B Fixed Rate Break Costs otherwise payable in respect of the Class B Loan and then, to the extent any amount of such shortfall remains outstanding, shall be applied so as to reduce the Class A Fixed Rate Break Costs otherwise payable in respect of the Class A Notes.

- (b) **Class A Note Prepayment Fee** means, if the Issuer receives a repayment or prepayment under the Mall Facility Agreement (the **Prepayment**) and receives the full amount of any Mall Loan Prepayment Fee corresponding to such Prepayment (if any):
- (i) on or before the first anniversary of the date of the Mall Facility Agreement, 1.5 per cent. of the Class A Principal Redemption Amount relating to the Prepayment;
 - (ii) after the first anniversary of the date of the Mall Facility Agreement but on or before the second anniversary of the date of the Mall Facility Agreement, 1.0 per cent. of the Class A Principal Redemption Amount relating to the Prepayment;
 - (iii) after the second anniversary of the date of the Mall Facility Agreement but on or before the end of the 30th month after the date of the Mall Facility Agreement, 0.5 per cent. of the Class A Principal Redemption Amount relating to the Prepayment; or
 - (iv) after the end of the 30th month after the date of the Mall Facility Agreement, 0 per cent. of the Class A Principal Redemption Amount relating to the Prepayment.

Only the Class A Noteholders will be entitled to receive the Class A Note Prepayment Fee. Any Mall Loan Prepayment Fee received by the Issuer in respect of a particular prepayment under the Mall Facility Agreement that is not used in payment of a Class A Note Prepayment Fee (in respect of Class A Principal Redemption Amounts corresponding to such prepayment) (the **Surplus Mall Loan Prepayment Fee**) will be treated as Revenue Receipts to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments. Class A Noteholders should be aware of the circumstances in which no Mall Loan Prepayment Fee (and accordingly, no Class A Note Prepayment Fee) is payable under the Mall Facility Agreement (as to which, see the section entitled “Prepayment and cancellation fee” within the “Fees and prepayment fee” section of the “Description of the Mall Facility Agreement” part of this Offering Circular).

(c) **Issuer Debt Prepayment Accrued Interest**

The Class A Notes and the Class B Loan will be entitled to receive accrued interest on the Class A Principal Redemption Amount or the Class B Principal Redemption Amount, as applicable, (being the Class A Prepayment Accrued Interest and the Class B Prepayment Accrued Interest, respectively) on each relevant Principal Prepayment Date. Any Mall Loan Prepayment Accrued Interest received by the Issuer in respect of a particular prepayment under the Mall Facility Agreement that is not used in payment of Issuer Debt Prepayment Accrued Interest (in respect of Principal Redemption Amounts corresponding to such prepayment) (the **Surplus Mall Loan Prepayment Accrued Interest**) will be treated as Revenue Receipts to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments. In the event that the aggregate Issuer Debt Prepayment Accrued Interest as calculated would exceed the relevant Mall Loan Prepayment Accrued Interest received, the shortfall shall first be applied so as to reduce the amount otherwise payable in respect of the

Class B Loan and then, to the extent any amount of such shortfall remains outstanding, shall be applied so as to reduce the amount otherwise payable in respect of the Class A Notes.

On each Principal Determination Date, the Mall Loan Fixed Rate Break Costs, (only in respect of the Class A Noteholders) the Mall Loan Prepayment Fees and the Mall Loan Prepayment Accrued Interest received by or on behalf of the Issuer under the Mall Facility Agreement will be allocated to the Class A Notes and the Class B Loan, as applicable, that is subject to prepayment on the following Principal Prepayment Date in an amount equal to the Issuer Debt Fixed Rate Break Costs, the Class A Note Prepayment Fee and the Issuer Debt Prepayment Accrued Interest, as applicable, each as calculated for the Class A Notes and/or the Class B Loan, as applicable, by reference to each such Principal Prepayment Date.

However, it should be noted that:

- (a) no Issuer Debt Fixed Rate Break Costs or Class A Note Prepayment Fees, as applicable, will be payable in any circumstance where there is no Mall Loan Fixed Rate Break Cost or Mall Loan Prepayment Fee, respectively, payable pursuant to the terms of the Finance Documents;
- (b) the aggregate Issuer Debt Fixed Rate Break Costs payable on the Class A Notes and the Class B Loan on any date can never be greater than the aggregate of the Mall Loan Fixed Rate Break Cost received by the Issuer under the Mall Facility Agreement for the corresponding prepayment under the Mall Facility Agreement;
- (c) the aggregate Class A Note Prepayment Fee payable on the Class A Notes on any date will never be greater than the aggregate of the Mall Loan Prepayment Fee received by the Issuer under the Mall Facility Agreement for the corresponding prepayment under the Mall Facility Agreement; and
- (d) no Issuer Debt Fixed Rate Break Costs and/or Class A Note Prepayment Fee will be payable to the Class A Noteholders or the Class B Lender, as applicable, following the service of an Issuer Debt Acceleration Notice. Instead, any Mall Loan Fixed Rate Break Costs and/or Mall Loan Prepayment Fees will be applied in accordance with the Post-Acceleration Priority of Payments.

Prior to the service of an Issuer Debt Acceleration Notice, on each Principal Prepayment Date, the Issuer Cash Manager will apply Available Redemption Funds in payment of:

- (a) the Class A Principal Redemption Amount (in or towards redemption of principal on the Class A Notes) and will pay, in the amount and in the manner outlined above, the Class A Fixed Rate Break Cost, Class A Note Prepayment Fee and Class A Prepayment Accrued Interest relating to such Class A Principal Redemption Amount to the Class A Noteholders; and
- (b) the Class B Principal Redemption Amount (in or towards prepayment of principal on the Class B Loan) and will pay, in the amount and in the manner outlined above, the Class B Fixed Rate Break Cost and Class B Prepayment Accrued Interest relating to such Class B Principal Redemption Amount to the Class B Lender.

Post-Acceleration Priority of Payments

Following the service of an Issuer Debt Acceleration Notice (or the Class A Notes and the Class B Loan otherwise becoming due and payable in full), the Issuer Security Trustee (or the Issuer Cash Manager on its behalf) will apply (on any Business Day) all monies and receipts received by the Issuer and/or the Issuer Security Trustee or a receiver appointed by it (whether of principal or interest

or otherwise) in the manner and order of priority set out below (the **Post-Acceleration Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full and in each case together with (if payable and due under the relevant document) VAT thereon):

- (a) *first* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the costs, charges, liabilities, expenses, fees or other remuneration and indemnity payments (if any) payable to the Note Trustee or any of its Appointees and the Issuer Security Trustee or any of its Appointees (including any receiver appointed by the Issuer Security Trustee) pursuant to the Issuer Transaction Documents;
- (b) *second* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of: (i) all amounts due but unpaid to the Account Bank under the Account Bank Agreement; and (ii) all amounts due but unpaid to the Agents under the Agency Agreement;
- (c) *third* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of: (i) all amounts due but unpaid to the Corporate Services Provider under the Corporate Services Agreement; (ii) all amounts due but unpaid to the Servicer or the Special Servicer, as applicable, under the Servicing Agreement and (iii) all amounts due but unpaid to the Issuer Cash Manager under the Cash Management Agreement;
- (d) *fourth* in or towards satisfaction of all interest (excluding Class A Additional Interest) due or overdue in respect of the Class A Notes;
- (e) *fifth* in or towards satisfaction of the Class A Additional Interest (including any Deferred Class A Additional Interest) due or overdue in respect of the Class A Notes;
- (f) *sixth* in or towards satisfaction of all principal due or overdue in respect of the Class A Notes;
- (g) *seventh* in or towards satisfaction of all interest (including Deferred Class B Loan Interest) due or overdue in respect of the Class B Loan;
- (h) *eighth* in or towards satisfaction of all principal due or overdue in respect of the Class B Loan;
- (i) *ninth* to pay an amount equal to the Issuer Profit Amount to the Issuer's profit ledger; and
- (j) *tenth* in or towards payment of any amounts in respect of Shortfall Deferred Consideration or Deferred Consideration due to the Securitised Loan Seller.

DESCRIPTION OF THE CAP ARRANGEMENTS

The Borrower and Barclays Bank PLC (London Head Office) (the **Cap Provider**) have entered into an interest rate cap transaction (the **Interest Rate Cap Transaction**) in relation to the Floating Rate Mall Loan, evidenced by:

- (a) a confirmation dated 30 May 2014 (the **Initial Interest Rate Cap Confirmation**); and
 - (b) a confirmation dated 16 October 2014 (the **Subsequent Interest Rate Cap Confirmation**),
- (together, the **Interest Rate Cap Confirmations**).

The Interest Rate Cap Confirmations are deemed to incorporate the terms of an ISDA 2002 Master Agreement but without any schedule thereto except for the election of English law as the governing law and GBP as the termination currency in respect of the Interest Rate Cap Transaction.

The Interest Rate Cap Transaction

Pursuant to the Interest Rate Cap Transactions, on each Mall Loan Payment Date, the Cap Provider will be required to pay an amount equal to the excess (if any) of the rate of interest (set by reference to three-month LIBOR) above a strike rate of:

- (a) in respect of the Initial Interest Rate Cap Confirmation, 2.75 per cent. per annum multiplied by the notional amount in respect of the relevant calculation period (being, £116,666,666.67); and
- (b) in respect of the Subsequent Interest Rate Cap Confirmation, 2.25 per cent. per annum multiplied by the notional amount in respect of the relevant calculation period (being, £30,000,000).

The aggregate notional amount under the Interest Rate Cap Confirmations is £146,666,666.67, which is the same as the Tranche A commitment as at 5 November 2014. The termination date of the:

- (a) Initial Interest Rate Cap Confirmation is 31 May 2019; and
- (b) Subsequent Interest Rate Cap Confirmation is 30 May 2019.

The Mall Loan Termination Date is 30 May 2019. There are no provisions regarding excess hedging in the event of prepayment of the Floating Rate Mall Loan under the Mall Facility Agreement.

Events of default and termination events

Following receipt of the payment required under the Interest Rate Cap Confirmations by the Cap Provider from the Borrower (such payments having been made by the Borrower), the following events of default in Section 5 of the ISDA 2002 Master Agreement shall not apply to the Borrower: (a)(ii) (Breach of Agreement; Repudiation of Agreement), (a)(iii) (Credit Support Default), (a)(iv) (Misrepresentation), (a)(v) (Default under Specified Transaction), (a)(vi) (Cross-Default), (a)(vii) (Bankruptcy) and (a)(viii) (Merger without Assumption).

The termination event in Section 5(b)(v) (Credit Event Upon Merger) does not apply to the Borrower.

Consequences of a rating downgrade of the Cap Provider

There is no obligation or right under either the Mall Facility Agreement or Interest Rate Cap Confirmations for the Borrower to terminate the Interest Rate Cap Transaction in the event that the Cap Provider ceases to hold the Requisite Rating (its long term issuer default rating falls below “A” for AM Best, “A” for Fitch, “A2” for Moody’s or “A” for S&P).

However, if at any time, the Cap Provider ceases to hold the Requisite Rating, the Mall Facility Agreement requires the Borrower to, within 15 Business Days of the occurrence of such downgrade, procure that Interest Rate Cap Transaction(s) are entered into with a hedging counterparty which does hold the Requisite Ratings, in form and substance satisfactory to the Mall Loan Facility Agent.

In the event that it is not possible to find a replacement hedging counterparty which does have a Requisite Rating, the Mall Loan Facility Agent (acting on the instruction of the Majority Lenders) shall consult with the Borrower for a period of no more than five Business Days with a view to agreeing a substitute hedging counterparty that may be used to enter into such new interest rate cap confirmation(s) as may be required to give effect to the Interest Rate Cap Transaction(s).

The Cap Provider is not required to transfer any collateral in the event that it ceases to hold the Requisite Rating.

Transfers

Neither the Cap Provider nor the Borrower may assign the Interest Rate Cap Transaction without the consent of the other party thereto. This is without prejudice to the assignment by way of security by the Borrower of its interests in the Interest Rate Cap Transaction to the Mall Loan Security Agent.

Tax

The payment of U.S. Federal Tax pursuant to FATCA is excluded from the definition of “Indemnifiable Tax” in the ISDA 2002 Master Agreement and, as such, the paying party will be required to pay to the relevant authorities the full amount (if any) required to be deducted or withheld and will not be required to indemnify the receiving party in respect of any additional amount that is necessary to ensure that the amount actually received by the receiving party equals the full amount that it would have received had no deduction or withholding been required. The two-way gross-up provision of the ISDA 2002 Master Agreement is otherwise unamended.

KEY TERMS OF THE SERVICING ARRANGEMENTS FOR THE SECURITISED LOAN

Servicing and special servicing of the Securitised Loan Pursuant to the Servicing Agreement, the Issuer will appoint Mount Street Mortgage Servicing Limited as the Servicer and as the Special Servicer to provide certain services in relation to the Securitised Loan and the related Mall Loan Security.

The obligations of the Servicer and the Special Servicer are several and not joint and several.

The Issuer will give to each of the Servicer, and for so long as the Securitised Loan is a Specially Serviced Loan, the Special Servicer, the full power, authority and right to act in its name and on its behalf as its lawful attorney and agent in connection with the exercise of the rights of the Issuer (as Lender) under and in respect of the Securitised Loan and the Finance Documents. When exercising its obligations and discretions under the Servicing Agreement, or any other Issuer Transaction Document to which the Servicer or the Special Servicer is a party, the Servicer or, for so long as the Securitised Loan is a Specially Serviced Loan, the Special Servicer, must act in accordance with, among other things, the Servicing Standard.

Directions by the Issuer Security Trustee

If the Servicer and/or the Special Servicer receives notice from the Issuer Security Trustee as to the service of an IST Notice under the Issuer Deed of Charge, then the Servicer and/or Special Servicer (as appropriate) must service the Assigned Assets in accordance with the written directions of the Issuer Security Trustee. In acting or refraining from acting, in accordance with the written directions of the Issuer Security Trustee, neither the Servicer or Special Servicer (as the case may be) shall have any liability to the Issuer or the Issuer Security Trustee for any costs, losses, liabilities or expenses which may be suffered by either of them as a consequence of the action or inaction of the Servicer or Special Servicer (as the case may be) or any delay where the Servicer or Special Servicer (as the case may be) seeks reasonable clarification of any such directions.

Servicing Standard

Save as otherwise provided in the Servicing Agreement, each of the Servicer and the Special Servicer is required to perform its duties and exercise its discretions on behalf of and for the benefit of the Issuer, and following the delivery of an IST Notice, the Issuer Security Trustee, in accordance with and subject to the following (the **Servicing Standard**). The Servicer and the Special Servicer must act:

- (a) in accordance with all applicable legal and regulatory requirements;
- (b) in accordance with the terms of the Finance Documents;
- (c) in accordance with the specific terms of the Servicing Agreement and the other Issuer Transaction Documents

(if any) to which the Servicer and/or the Special Servicer (as applicable) is a party;

- (d) to a standard of care which is the higher of:
- (i) the standard of care and with the same skill, care and diligence it applies to servicing similar loans for third parties; and
 - (ii) the standard of care, and with the same skill, care and diligence it applies when it services commercial mortgage loans beneficially owned by it and/or by its Affiliates,

in each case giving due consideration to the customary and usual standards of practice of prudent commercial mortgage loan servicers which service loans similar in nature to the Securitised Loan, with a view to: (A) the prudent and timely exercise of the rights of the Issuer under the Securitised Loan and the Finance Documents; (B) the timely collection of all sums due to the Issuer in respect of the Securitised Loan; and (C) if a Mortgage Loan Event of Default occurs and is continuing, maximising recoveries in respect of the Securitised Loan on or before the Final Maturity Date (without prejudice to subparagraph (B) above); and

- (e) in the best interests and for the benefit of the Issuer, using reasonable judgment and as determined in good faith by the Servicer or the Special Servicer (as the case may be);

and, if there is a conflict between any of the requirements set out in paragraphs (a) to (e) (inclusive) above, applying such requirements in the order of priority in which they appear earlier in such paragraphs.

Exception to Servicing Standard

If, pursuant to any provision of the Servicing Agreement or another Issuer Transaction Document to which the Servicer and/or the Special Servicer is party (each, a **Servicer Document**), the Servicer and/or the Special Servicer (as applicable) is required (at the direction or request of the Issuer, the Issuer Security Trustee, the Class A Noteholders and/or the Class B Lender) to take or to refrain from taking a particular action, then the Servicer and/or Special Servicer shall take and/or be entitled to take or to refrain from taking the relevant action without any regard as to whether the relevant matter would be consistent with the Servicing Standard. Neither the Issuer nor the Issuer Security Trustee nor any other person shall have any claim against the Servicer or the Special Servicer in respect of breach of the Servicing Standard or otherwise under a Servicer Document in respect of any liabilities suffered by any such party as a result of the Servicer's or Special Servicer's (as the case may be) compliance with the relevant request or direction or taking of action or refraining from taking action (or for any delay caused by the Servicer's or Special

Servicer's requests (if any) for clarification of such request or direction) in pursuance of any authority given in this regard pursuant to any such request or direction.

However, the Servicer and/or the Special Servicer shall not be obliged or required to take, or refrain from taking any course of action, where to do so would violate any applicable law or regulation or would result, or be reasonably likely to result, in any claim or proceedings against the Servicer or the Special Servicer (as applicable) which would be reasonably likely, in the opinion of the Servicer or Special Servicer (as applicable) to succeed and which would give rise to any liability for the Servicer or the Special Servicer (as applicable).

Rights of delegation

The Servicer or, in the case of the Specially Serviced Loan, the Special Servicer may, in certain circumstances, without the consent of any other person (including, without limitation, the Issuer), subcontract or delegate the performance of all or any their respective obligations under the Servicing Agreement. Notwithstanding any sub-contracting or delegation of the performance of any of its obligations under the Servicing Agreement, the Servicer or for so long as the Securitised Loan is a Specially Serviced Loan, the Special Servicer, as the case may be, will not be released or discharged from any liability thereunder and each will remain responsible at all times to the Issuer and/or the Issuer Security Trustee for the performance of its respective obligations under the Servicing Agreement.

Other responsibilities of the Servicer and the Special Servicer

In addition to its obligations described above, the Servicer or, if the Securitised Loan is a Specially Serviced Loan, the Special Servicer will have certain obligations with respect to managing the interests of the Issuer, and the Issuer Security Trustee, as applicable, including with respect to any modification, waiver, amendment and/or consent relating to the Securitised Loan and taking any actions to realise upon the Mall Loan Security. See "Modifications, waivers, amendments and consents" below.

Special Servicing Transfer Event

The Servicer will have the sole responsibility to service and administer the Securitised Loan while there is no Special Servicing Transfer Event continuing in relation to the Securitised Loan.

Subject to the provisions of the Servicing Agreement, the Securitised Loan will become subject to a Special Servicing Transfer Event if any of the following events occurs (each a **Special Servicing Transfer Event**):

- (a) the occurrence of a Mall Loan Event of Default occasioned by non-payment of any amount when due, subject to any applicable grace periods;
- (b) the occurrence of any Mall Loan Event of Default (other than a non-payment Mall Loan Event of Default), which the Servicer determines is not likely to be cured within 10

Business Days of its occurrence; and

- (c) the occurrence of the Mall Loan Termination Date, in circumstances where any amount of the Mall Loan remains outstanding at the close of business on such date.

Promptly upon becoming aware of the occurrence of a Special Servicing Transfer Event, the Servicer will notify details of the same to the Issuer, the Issuer Cash Manager, the Special Servicer, the Issuer Security Trustee (with a copy to the Class B Lender), the Note Trustee, the Mall Loan Facility Agent, the Securitised Loan Seller and the Mall Loan Security Agent.

The Special Servicer will then automatically assume all of its duties, obligations and powers as to the performance of the relevant services under the Servicing Agreement and the Securitised Loan will become a **Specially Serviced Loan**.

A Specially Serviced Loan will become a Corrected Loan upon (i) the discontinuance of any event which would constitute a non-payment Special Servicing Transfer Event for a period of 190 days; (ii) the facts giving rise to any other Special Servicing Transfer Event ceasing to exist; and (iii) no other matter existing which would give rise to the Securitised Loan becoming a Specially Serviced Loan. Upon designation as a Corrected Loan, the Securitised Loan shall cease to be designated a Specially Serviced Loan and servicing of such loan will be re-transferred to the Servicer.

Asset Status Report

Pursuant to the Servicing Agreement, if a Special Servicing Transfer Event occurs, the Special Servicer must to prepare an Asset Status Report not later than 60 days after the date on which the Special Servicer is notified of the occurrence of such Special Servicing Transfer Event, and must promptly request the Obligor and/or the Mall Loan Facility Agent (as applicable) for any information it requires to prepare such Asset Status Report.

Subject to, and only to the extent that the Special Servicer has received all relevant information from the Mall Loan Facility Agent to enable it to include such information in the Asset Status Report, the Asset Status Report must include among other things:

- (a) a description of the status of the Securitised Loan and the Properties, details of any strategy with respect to the same and any negotiations with the Obligor;
- (b) a discussion of the general legal and environmental considerations reasonably known to the Special Servicer, or consistent with the Servicing Standard (which ought to be known by it), that are applicable to the exercise of remedies under the Finance Documents and to the enforcement of the Securitised Loan and the related Mall Loan Security;

- (c) information as to whether external legal counsel has been retained by the Special Servicer;
- (d) a consideration of the effect on net present value (as determined from time-to-time by the Servicer or Special Servicer (as appropriate) with reference to the sterling mid-swaps rate based upon time to maturity of the Securitised Loan (taking into account any effected extensions thereof in accordance with the terms of the Mall Facility Agreement) of the various courses of action with respect to the Securitised Loan including, without limitation, a work-out of the Securitised Loan;
- (e) the most current rent schedule and income or operating statement available for the Properties;
- (f) a summary of the Special Servicer's recommended actions and strategies with respect to the Securitised Loan; and
- (g) the latest valuations of the Properties, together with details of the assumptions used in the determination thereof.

Promptly after the Asset Status Report has been prepared or modified in accordance with the Servicing Agreement, the Special Servicer shall deliver a copy of such Asset Status Report to the Servicer.

The Special Servicer will deliver to the Issuer, the Securitised Loan Seller and the Class B Lender a copy of the current Asset Status Report. The Issuer must promptly after receipt of such copy, publish such copy in accordance with the Conditions, and also in a Regulatory Information Service filing or equivalent filing, if any, that complies with the requirements of the relevant exchange on which the Class A Notes are listed and applicable law.

The Special Servicer may, from time to time, modify any Asset Status Report that it has previously delivered and shall modify any such Asset Status Report to reflect any changes in strategy that it considers are required from time to time by the Servicing Standard. Further, the Special Servicer shall, promptly after modification, deliver the modified report to Servicer and shall deliver a revised summary of the same to the Issuer (which will be required to publish such copy in accordance with the Conditions, and also in a Regulatory Information Service filing or equivalent filing, if any, that complies with the requirements of the relevant exchange on which the Class A Notes are listed and applicable law), the Class B Lender and the Securitised Loan Seller.

Note EoD Plan

Pursuant to the Servicing Agreement, within five Business Days of becoming aware of the occurrence of a Class A Note Event of

Default, the Issuer will be required to publish a notice to the Class A Noteholders (in accordance with the Conditions) and the Class B Lender (in accordance with the Class B Loan Agreement) giving notice of the Class A Note Event of Default and requesting a meeting with the Class A Noteholders and the Class B Lender (the non-attendance of which will not affect the validity of the meeting) to be held within five Business Days of the date of such notice in order to commence consultation with the Special Servicer, the Class A Noteholders and the Class B Lender in relation to the preparation of a Note EoD Plan.

If the Special Servicer determines that such consultation may require disclosure of non-public, price sensitive information or that disclosure of such information would adversely affect negotiations being conducted on behalf of the Issuer in relation to the Securitised Loan or the Properties, the Special Servicer may require the Class A Noteholders and the Class B Lender to enter into a non-disclosure agreement and to undertake to comply with applicable disclosure laws and regulations prior to disclosing any such information to them. Prior to disclosing information to the Class A Noteholders and the Class B Lender in connection with the Note EoD Plan, the Special Servicer will inform the Class A Noteholders and the Class B Lender whether such information might be non-public price sensitive information and discuss whether it expects such information to be capable of being the subject of a public disclosure. If, following discussions with the Class A Noteholders and the Class B Lender, any of them is unwilling to receive potentially non-public price sensitive information, the Special Servicer will confirm to the Class A Noteholders and/or the Class B Lender the basis on which and to whom such information may be disclosed during the consultation (which may involve the formation of a committee of the Class A Noteholders willing to receive such information or which may involve none of the Class A Noteholders being willing to receive such information in which case the consultation requirement will not apply).

Subject to the requirements described above, the Special Servicer will be required to consult with the Class A Noteholders and the Class B Lender with respect to the proposals to be included in the Note EoD Plan and, as soon as reasonably practicable following such consultation, but not later than the date occurring 45 days after the Class A Note Event of Default, will provide a copy of the Note EoD Plan to the Issuer (which will provide a copy of the same to the Class A Noteholders and the Class B Lender), the Note Trustee and the Issuer Security Trustee. The Issuer will convene a meeting of the Class A Noteholders to be held as soon as reasonably practicable following receipt of the Note EoD Plan from the Special Servicer after the Class A Note Event of Default, at which the Class A Noteholders will be requested to select, by approving by way of Ordinary Resolution, their preferred option among the proposals set forth in the Note EoD Plan.

At least one proposal included in the Note EoD Plan by the Special Servicer must be that the Special Servicer will take steps to realise the security for the Securitised Loan as soon as reasonably practicable and/or that the Issuer Security Trustee shall, at the cost of the Issuer, engage an independent financial advisor or a receiver to advise the Issuer Security Trustee on and/or to effect a realisation of the assets of the Issuer for the purposes of redeeming the Class A Notes. The Special Servicer will be required to implement the proposal that receives the approval of the Class A Noteholders by way of Ordinary Resolution (without requiring the consent of the Class B Lender), provided that if no proposal receives the approval of the Class A Noteholders by way of Ordinary Resolution, then the Issuer Security Trustee will be deemed to be directed by the Class A Noteholders and, to the extent required, the Class B Lender to appoint a receiver in order to realise the secured assets of the Issuer at such time as the Issuer Security becomes enforceable pursuant to the Issuer Deed of Charge, subject to being indemnified and/or secured and/or pre-funded to its satisfaction.

The process for the preparation of the Asset Status Report and the Note EoD Plan will not be mutually exclusive; however, the proposal in the Note EoD Plan that ultimately receives the approval of the Class A Noteholders may differ to the conclusion reached by the Special Servicer as to the appropriate strategy pursuant to the Asset Status Report. In the case of any such conflict, the approved Note EoD Plan proposal will prevail provided the relevant Class A Note Event of Default is continuing.

Issuer Debtholder Record

To assist communication between the Servicer or the Special Servicer (as applicable) and the Class A Noteholders and the Class B Lender, the Servicer must, subject to the provisions of the Servicing Agreement and based upon information supplied to it for these purposes, create and maintain a record (the **Issuer Debtholder Record**) of (i) the name and contact details of entities which own an ultimate beneficial interest in respect of the Class A Notes (and the Principal Amount Outstanding of each relevant holding), to the extent that the Servicer has received confirmation from the Issuer Cash Manager that such entities are Verified Noteholders; and (ii) the name and contact details of the Class B Lender.

The Issuer Debtholder Record is for the convenience of the parties only and does not confirm or evidence any entitlement in or to any Class A Note or the Class B Loan.

The Servicer will make available, promptly on request, the contents of the Issuer Debtholder Record to the Issuer, the Issuer Security Trustee, the Obligors, the Special Servicer and (in respect of the Class A Notes only) the Note Trustee.

The Servicer will, promptly upon receipt of the relevant information, record in the Issuer Debtholder Record the transfers of (i) beneficial interests in the Class A Notes to a new Verified

Noteholder (as confirmed to the Servicer by the Issuer Cash Manager) to the extent the Servicer is made aware of such transfer and the relevant new Class A Noteholder is a Verified Noteholder; and (ii) the Class B Loan, subject to and based upon receiving from the Issuer the contact details of the new Class B Lender.

On the same day (or, for any notices received after 12 noon on any day, on the following Business Day) as any notice is given to Class A Noteholders pursuant to Condition 17 (Notice to Class A Noteholders) in respect of any matter relating to a Finance Document Request, the Servicer must send a copy of such notice to the recorded contact details of each entity then currently recorded as a Class A Noteholder and (for information purposes only unless the same also constitutes a formal request to the Class B Lender) to the then recorded Class B Lender on the Issuer Debtholder Record, provided that the Servicer will not be required to send a copy of such notice (i) if it has not received a copy of such notice by the Issuer (unless the Servicer itself prepared the relevant notice); (ii) to a person which it reasonably believes is no longer a Class A Noteholder or the Class B Lender, or in respect of any such person the contact details of whom it reasonably believes to be incorrect or out of date; or (iii) if it reasonably believes that sending a copy of such notice would violate any applicable law or regulation.

The Servicer will have no responsibility or liability to any person (i) for verifying, validating, monitoring or otherwise maintaining the accuracy or completeness of any information it receives from the Lead Manager, Issuer, the Issuer Cash Manager or any Class A Noteholder or the Class B Lender in connection with the Issuer Debtholder Record; (ii) the content of any notice, save to the extent that the notice referred to in Condition 17 (Notice to Class A Noteholders) was prepared with the assistance of the Servicer; and (iii) any failure of any notice to reach the relevant addressee, provided that the relevant communication was properly sent in accordance with the correct contact information.

Reviews

The Servicer, and following the occurrence of any Special Servicing Transfer Event that is continuing, the Special Servicer (to the extent that the Issuer is permitted or entitled to do so, or to instruct the same to be done under the Finance Documents), shall inspect to the extent it is able to do so under the Finance Documents, or cause to be inspected, the applicable Properties whenever the Servicer or Special Servicer, as applicable, becomes aware that such Properties have been materially damaged, left vacant, or abandoned, or if material environmental waste is located there, or otherwise at the discretion of the Servicer or the Special Servicer (as applicable) (an **Ad Hoc Review**). The Servicer or for so long as the Securitised Loan is designated a Specially Serviced Loan, the Special Servicer, is authorised (but not obliged) to conduct an Ad Hoc Review more frequently, to the extent permitted by applicable law, if the Servicer or, following the occurrence of a Special Servicing Transfer Event that is continuing, the Special Servicer, has cause for concern as to the

ability of any Obligor to meet their obligations under the Finance Documents. Each Ad Hoc Review must include an inspection of the Properties and a consideration of the quality of the cashflow arising from the Properties and a compliance check of each Obligor's financial covenants under the Finance Documents. Such compliance check, however, will be based on the information the Servicer or the Special Servicer (as applicable) receives from the Mall Loan Facility Agent in accordance with the terms of the Finance Documents, or otherwise reasonably obtains on behalf of the Issuer in the performance of its duties under the Servicing Agreement. All Ad Hoc Reviews shall be performed at the cost and expense of the Issuer. The Servicer or the Special Servicer (as applicable) shall be entitled to be reimbursed by the Issuer for all costs properly incurred by the Servicer or the Special Servicer (as applicable) in the undertaking and preparation of an Ad Hoc Review.

Insurance

If the Servicer or the Special Servicer, as applicable, becomes aware that either: (a) the Properties are not covered by a buildings insurance policy; or (b) a buildings insurance policy may lapse in relation to the Properties due to the non-payment of any premium or any other breach of the terms of the relevant buildings insurance policy, the Servicer or the Special Servicer, as applicable, must give such instructions to the Mall Loan Facility Agent as it considers necessary or desirable, taking into account the obligations of the Obligor under the Finance Documents, in connection with the maintenance of buildings insurance for the Properties in the form and on such terms required under the Finance Documents. If any Obligor does not comply with its obligations in respect of any insurance policy, the Servicer or Special Servicer must and to the extent reasonably practicable to do so, direct or instruct the Mall Loan Facility Agent to effect or renew any such insurance policy (and not in any way for the benefit of the Obligor concerned) by utilising (to the extent available and permitted, under the terms of the Finance Documents, to be so utilised) funds in the Obligor Accounts and the Servicer or the Special Servicer, as applicable, shall make claim on behalf of the Issuer against the Obligor for the monies expended by the Servicer or Special Servicer, as applicable, for so effecting or renewing any such insurance from the Obligor. If the Servicer or the Special Servicer expends its own funds on behalf of the Issuer in obtaining such insurance, it will be entitled to be reimbursed by the Issuer for such expense.

Property Protection

Upon becoming aware that any Obligor has not made a payment to a third party (including, without limitation, a payment relating to building insurance policy premiums) when required by the terms of the Finance Documents (a **Third Party Payment**), the Servicer or the Special Servicer, as applicable, may (subject to the rights of the Mall Loan Facility Agent or the Mall Loan Security Agent under the Finance Documents to do so) instruct the Mall Loan Facility Agent or the Mall Loan Security Agent to apply funds standing to the credit of the relevant Obligor Account of any Obligor over which the Mall Loan Facility Agent or the Mall Loan Security Agent has signing rights in accordance with the terms of the Finance Documents in or towards payment of such outstanding Third Party Payment. The Servicer or the Special Servicer may expend its own funds on behalf of the Issuer in making the relevant Third Party Payment and will be entitled to be reimbursed by the Issuer for such expense.

Loan warranties

The Servicer (or, if the Securitised Loan is then designated a Specially Serviced Loan, the Special Servicer) must (i) advise the Issuer and the Issuer Security Trustee if it has reason to believe that there has been any Material Breach of Securitised Loan Warranty; and (ii) assist the Issuer generally in the examination of any circumstances which may be relevant to any such breach.

Waivers, amendments and consents

The Servicer or, if a Special Servicing Transfer Event has occurred and is continuing, the Special Servicer, will be responsible for instructing the Mall Loan Facility Agent or the Mall Loan Security Agent (as applicable) in connection with any request which the Mall Loan Facility Agent or the Mall Loan Security Agent (as applicable) receives from any Obligor for amendments, consents, modifications and/or waivers relating to the Finance Documents, including, without limitation, any request for the vote of the Issuer, as Lender, under the Finance Documents (a **Finance Document Request**). The Servicer or the Special Servicer, as applicable, must respond to each Finance Document Request within nine Business Days of that request being notified in writing to the Servicer or Special Servicer (on behalf of the Issuer) by the Mall Loan Facility Agent or Mall Loan Security Agent.

If the Servicer or the Special Servicer, as applicable, requires the direction of the Class A Noteholders and/or the consent of the Class B Lender in order to respond to a Finance Document Request, the Servicer or the Special Servicer, as relevant, will respond to the Mall Loan Facility Agent in respect of such Finance Document Request within the nine Business Days regardless of whether it has received a direction from the Class A Noteholders and/or the consent of the Class B Lender (as applicable) or not. If it has not received a direction from the Class A Noteholders and/or the consent of the Class B Lender (as may be required) sufficient to enable it to give effect to any such directions within the requisite time period, the Servicer or the

Special Servicer, as applicable, must respond in a negative manner to such request. If subsequently the Class A Noteholders and/or the Class B Lender (as may be required) approve(s) such request, the Servicer or the Special Servicer, as applicable, will notify the Mall Loan Facility Agent of the same. The Servicer or the Special Servicer shall be entitled to assume in connection with any consent and/or direction given by the Class A Noteholders in respect of a Finance Document Request, without further enquiry, that each person who voted or counted in the quorum in any meeting of the Class A Noteholders or otherwise provided any such consent or direction was not a Disenfranchised Holder.

Subject to the terms of the Servicing Agreement, the Servicer (or if a Special Servicing Transfer Event has occurred and is continuing) the Special Servicer may instruct the Mall Loan Facility Agent and/or the Mall Loan Security Agent to amend, waive, grant or withhold consent in respect of, any term of the Finance Documents if such amendment, consent or waiver:

- (a) would not require (as determined by the Servicer or the Special Servicer, as applicable, in consultation with the Issuer, the Issuer Security Trustee and the Issuer Cash Manager (as the Servicer or Special Servicer may deem appropriate)) the Issuer to make changes to the terms of the Issuer Transaction Documents by means of a Basic Terms Modification in order to be able to ensure that the approval and implementation of the relevant Finance Document Request would not negatively impact upon the Issuer's ability to meet its obligations under the Class A Notes, the Class B Loan Agreement and the other Issuer Transaction Documents; or
- (b) is not a Major Development Consent Request.

If a Finance Document Request is a Major Development Consent Request (and does not constitute a Basic Terms Modification), such Finance Document Request will need to be approved by the Class A Noteholders (by negative consent) and by the Class B Lender.

If a Finance Document Request is a Reserved Matter or constitutes a Basic Terms Modification, such Finance Document Request will need to be approved by an Extraordinary Resolution of the Class A Noteholders (which cannot be deemed passed by way of Negative Consent) and by the Class B Lender.

Neither the Servicer nor the Special Servicer will be liable for the consequences of failing to take any action in respect of such a Finance Document Request if such action has not been approved by the Class A Noteholders and/or the Class B Lender as aforesaid. The Servicer or the Special Servicer, as applicable, will act in accordance with the resolution passed by the Class A Noteholders and/or the consent or direction of the Class B Lender in respect of such Finance Document Request and assist in its

implementation (notwithstanding that to do so may be contrary to the Servicing Standard).

The Servicer or the Special Servicer (as applicable) will give notice in writing to the Issuer, the Mall Loan Facility Agent, and Issuer Security Trustee (with a copy to the Class B Lender), and the Note Trustee and the Class A Noteholders (in accordance with Condition 17 (Notice to Class A Noteholders) of each Finance Document Request that has been approved. Each such notice will include the date and details of the amendment, consent or waiver and details of any fees, costs and expenses charged to the Obligors in respect thereof.

Servicing Fee

On each Interest Payment Date, the Issuer shall pay to the Servicer a fee in respect of the Securitised Loan equal to 0.025 per cent. per annum of the aggregate outstanding principal balance of the Securitised Loan accruing on a daily basis (plus any applicable VAT) (the **Servicing Fee**). The Servicing Fee will continue to be paid notwithstanding the fact that the Securitised Loan may have become a Specially Serviced Loan. Following any termination of the Servicer's appointment as Servicer, the Servicing Fee will be paid to any replacement servicer appointed. The Servicing Fee may be payable to any replacement servicer at a higher rate agreed in writing by the Issuer (but which does not exceed the rate then commonly charged by providers of loan servicing services in relation to commercial properties).

Special Servicing Fee

On each Interest Payment Date, the Issuer shall pay to the Special Servicer the Special Servicing Fee equal to 0.125 per cent. per annum of the aggregate outstanding principal balance of the Securitised Loan for each day that it is designated as a Specially Serviced Loan (plus any applicable VAT) (the **Special Servicing Fee**). The Special Servicing Fee will be payable in addition to the Servicing Fee. The Special Servicing Fee shall cease to accrue if (i) a liquidation event occurs in respect of the Securitised Loan or (ii) the Securitised Loan is designated a Corrected Loan.

Servicer's modification fee

In addition to the Servicing Fee, the Servicer will also be entitled to receive a fee, in an amount which it agrees with the Obligors, as remuneration for any action taken by the Servicer in respect of any Finance Document Request approved prior to the occurrence of a Special Servicing Transfer Event, but only if (a) its receipt of such a fee would be consistent with the Servicing Standard; (b) the Servicer is satisfied that such fee can be recovered from the Obligors or any of their Affiliates (or from proceeds and/or collections from the Properties based on the current valuation and the Servicer's estimate of income generated from the Properties) without resulting in any shortfall in other amounts due under the terms of the Securitised Loan; and (c) the Servicer is satisfied that the payment of such fee would not result in any shortfall in current interest due on the Securitised Loan on its original terms. The Servicer must provide details of each agreed Servicer's modification fee to the Issuer (which will notify the Class A

Noteholders of the same), the Issuer Security Trustee, the Issuer Cash Manager and the Class B Lender promptly upon agreeing the same.

Liquidation Fee

On each Interest Payment Date or, following the service of an Issuer Debt Acceleration Notice, each payment date, if the Securitised Loan is a Specially Serviced Loan, the Issuer will pay to the Special Servicer a liquidation fee (the **Liquidation Fee**) in an amount equal to 0.5 per cent. of the Liquidation Proceeds which will be payable on the Interest Payment Date or payment date, as applicable, following the receipt of Liquidation Proceeds in the relevant period (plus any applicable VAT). No Liquidation Fee will be payable in respect of Liquidation Proceeds (a) where the Securitised Loan was a Specially Serviced Loan for a period of fewer than 90 days; or (b) where the Securitised Loan or the Borrower or any part of the Properties (whether directly or indirectly) is sold to an Affiliate of, or an entity related to, the Special Servicer.

Workout Fee

A workout fee is payable to the Special Servicer, on each Interest Payment Date or, following the service of an Issuer Debt Acceleration Notice, each payment date, following a Specially Serviced Loan becoming a Corrected Loan (the **Workout Fee**). The Workout Fee shall be an amount equal to 0.5 per cent. of each collection of interest and principal received in respect of the Securitised Loan for so long as it remains a Corrected Loan (plus any applicable VAT). No Workout Fee will be payable if the Special Servicing Transfer Event which gave rise to the Securitised Loan becoming a Specially Serviced Loan ceased to exist within 90 days of the Securitised Loan becoming a Specially Serviced Loan and no other Special Servicing Transfer Event occurred whilst the Securitised Loan remained a Specially Serviced Loan.

Servicing expenses

The Servicer and the Special Servicer shall be entitled to be reimbursed in respect of out-of-pocket costs, expenses and charges properly incurred by them in the performance of their servicing obligations, provided that the fees, costs and expenses of any Delegate appointed by the Servicer or the Special Servicer will not be reimbursed. Such costs and expenses are payable by the Issuer subject to and in accordance with the relevant Issuer Priority of Payments on the Interest Payment Date following the Mall Loan Interest Period during which they are incurred by the Servicer or the Special Servicer (as the case may be) and without prejudice to any other right to payment or, in the case of costs which are paid or to be paid directly by an Obligor immediately on the date which such fees, costs and expenses are collected from an Obligor.

If and to the extent that the Issuer does not reimburse costs to the Servicer and/or the Special Servicer on the Interest Payment Date following the date on which they incurred (provided that the Servicer or the Special Servicer has given at least two Business

Days' notice thereof to the Issuer Cash Manager) then the Issuer will be required to pay interest on the amounts un-reimbursed at the rate then applicable to the Class A Notes until payment of such amounts has been made.

Liability of Servicer and Special Servicer

Neither the Servicer nor the Special Servicer will be responsible for any liabilities to the Issuer other than those caused by the Servicer's or the Special Servicer's (as applicable) gross negligence, fraud, bad faith or material breach (which is not remedied) of a provision of the Servicing Agreement.

Reporting

Prior to each Interest Determination Date or Principal Determination Date, the Servicer must deliver to the Issuer, the Issuer Cash Manager and the Special Servicer a report in respect of the Securitised Loan setting out, among other things, payments received on the preceding Mall Loan Payment Date or other date within the relevant Issuer Debt Interest Period on which a payment under the Mall Facility Agreement was received, as applicable, immediately preceding the relevant Interest Determination Date or Principal Determination Date as well as both scheduled and unscheduled payments (including, without limitation, the amount of Revenue Receipts and Principal Receipts in each case in respect of the then current Issuer Debt Interest Period).

Subject to any limitation imposed by applicable law or any confidentiality agreement, the Servicer must deliver to the Issuer, the Issuer Cash Manager, the Special Servicer and the Issuer Security Trustee during each Issuer Debt Interest Period (and with respect to the CREFC Europe E-IRP Loan Set-up File, the Servicer shall, in addition, provide such information prior to the first Interest Payment Date and deliver such report in respect of the first Issuer Debt Interest Period only), the following reports with respect to the Securitised Loan, each of which shall provide the required information in respect of the Mall Loan Interest Period or Issuer Debt Interest Period, as applicable, immediately preceding the immediately ended Mall Loan Interest Period or Issuer Debt Interest Period (in the case of item (a) below and information fields based on information provided by the relevant Obligor) or in respect of the immediately ended Mall Loan Interest Period or Issuer Debt Interest Period, as applicable, (in the case of the other items listed below) in each case based on information provided by the Special Servicer if the Securitised Loan is designated a Specially Serviced Loan the following reports:

- (a) a report setting out certain loan-level information including, cut-off balance, original mortgage rate, maturity date and general payment information, as well as financial data (as set out in the "CREFC Europe E-IRP Loan Set-up File");
- (b) a report setting out quarterly remittances on the Securitised Loan as well as the tracking of both scheduled

and unscheduled payments in respect thereof (as set out in the “CREFC Europe E-IRP Loan Periodic Update File”);

- (c) a report setting out information regarding the Properties including property name, address and identification number (as set out in the “CREFC Europe E-IRP Property File”); and
- (d) a report setting out, among other things, details of any event that would cause the Securitised Loans to be included on the servicer watchlist (as set out in the “CREFC Europe E-IRP Servicer Watchlist Criteria and Servicer Watchlist File”).

Such reports (together, the **CREFC Europe’s Investor Reporting Package**) shall be in the form prescribed in the standard European Investor Reporting Package published by the Commercial Real Estate Finance Council Europe from time to time (formerly and commonly known as the CMSA European Investor Reporting Package).

In addition to the CREFC Europe’s European Investor Reporting Package, the Servicer will report the following additional information on each Interest Payment Date, to the extent that it receives the relevant information from the Mall Loan Facility Agent and/or the Obligors:

- (a) financial covenant compliance calculated in accordance with the methodologies for determining compliance in the Mall Facility Agreement;
- (b) portfolio summary by region;
- (c) portfolio summary by property type; and
- (d) current and historical property disposals.

Such additional information provided by the Servicer may be modified from time to time in the Servicer’s sole discretion.

The Servicer shall also provide, on each Interest Payment Date, in respect of each immediately preceding Issuer Debt Interest Period, a report based, where necessary, on information provided to the Servicer by the Special Servicer, containing the following information regarding the Securitised Loan and the Properties:

- (a) a report setting out the information provided by the Obligors pursuant to the information covenants contained in the Finance Documents;
- (b) a report setting out, among other things, general information in relation to the Securitised Loan (including cut-off balance, original mortgage rate, maturity date and general payment information, as well as financial data);

- (c) a report setting out, among other things, information regarding the Properties; and
- (d) the continuance or otherwise of a Sequential Payment Trigger,

(such reports, together with the CREFC Europe's European Investor Reporting Package, the **Servicer Quarterly Report**).

The Servicer Quarterly Report will be made publicly available by the Issuer Cash Manager, on behalf of the Servicer, on its internet website at www.usbank.com/abs which internet website does not form part of this Offering Circular.

Enforcement of the Securitised Loan

The Special Servicer must determine and is authorised by the Issuer and, following the service of an IST Notice, the Issuer Security Trustee, to determine the best strategy for exercising the rights, powers and discretions of the Issuer in respect of the Securitised Loan and the exercise of procedures to enforce those rights, powers and discretions (including in each case providing instructions and authorisations to the Mall Loan Security Agent and the Mall Loan Facility Agent as appropriate) following the occurrence of a Mall Loan Event of Default to implement (or, as it considers necessary or desirable, to instruct the Mall Loan Security Agent or Mall Loan Facility Agent to implement) such strategy.

Any enforcement action must be taken subject to and in compliance with the provisions relating to the Note EoD Plan and Note Maturity Plan in the Servicing Agreement.

At any time after the occurrence of a Special Servicing Transfer Event (but provided that the Securitised Loan has not become a Corrected Loan), the Special Servicer may, if it determines that the most appropriate course of action would be to sell the Securitised Loan (instead of taking enforcement action in respect thereof), dispose of the Securitised Loan on behalf of the Issuer to a third party purchaser on arms' length terms and for a consideration which the Special Servicer determines (taking such advice as it may seek from professional advisers) is the best price achievable in the market at the time.

In making any such determination as outlined above, the Special Servicer must:

- (a) estimate the net present value of the cashflows and net proceeds which may be achievable in alternative workout or enforcement strategies in respect of the Securitised Loan (each, an **Alternative Process**) (taking into account any likely costs and expenses for each such Alternative Process) (for each such process, the **Alternative Estimated Proceeds**); and

- (b) evaluate the likelihood of success of each Alternative Process, categorising the same as low, medium or high risk; and
- (c) determine whether a sale of the Securitised Loan would maximise realisations when compared with the Alternative Estimated Proceeds for each Alternative Process (taking into account the likelihood of success as noted above) and other relevant factors as the Special Servicer may determine (and the Special Servicer's determination shall be binding).

The Special Servicer will not be obliged to accept the highest or any offer for the Securitised Loan if it otherwise determines that another strategy would be more appropriate taking into account the Servicing Standard.

The Special Servicer may accept an offer which is lower than the highest offer for the Securitised Loan, taking into account the Special Servicer's views as to the likelihood of a successful execution of the relevant sale and the other terms of the proposed sale, taking into account the Servicing Standard.

If the Special Servicer determines that the most appropriate course of action would be to sell the Securitised Loan, then the Issuer Security Trustee must at the request of the Special Servicer (and at the cost of the Issuer) release and discharge the Issuer Security to the extent that it relates to the Securitised Loan and the related Mall Loan Security to allow such sale to proceed.

The Special Servicer must not accept any offer for the Securitised Loan made by the Lead Manager, the Arranger, the Servicer, the Issuer Security Trustee (in its own capacity), nor may it make any offer itself for, or purchase, the Securitised Loan. If the Securitised Loan is a Specially Serviced Loan, the Special Servicer must document its proposed strategy with the delivery of an Asset Status Report.

As soon as reasonably practicable after the Special Servicer makes a Final Recovery Determination with respect to the Securitised Loan, it must promptly notify the Servicer, the Issuer, the Issuer Cash Manager, the Issuer Security Trustee, the Note Trustee, the Class B Lender and the Securitised Loan Seller of the amount of such Final Recovery Determination. The Special Servicer must maintain an accurate record of the basis of the determination of the Final Recovery Determination.

The Servicer or the Special Servicer, as applicable, shall (to the extent it has such relevant information) provide to the Mall Loan Security Agent all information that the Mall Loan Security Agent may require to enable the Mall Loan Security Agent to commence enforcement action under, and in accordance with the provisions of, the Mall Loan Security Documents.

If pursuant to the Servicing Agreement, the Servicer or the Special Servicer, as applicable, is required to make a net present value calculation or determination with respect to the Securitised Loan or the Properties, such calculation shall be made by using a discount rate appropriate for the type of cash flows being discounted, namely:

- (a) for principal and interest payments on the Securitised Loans or proceeds from the sale of the Securitised Loan, the highest of:
 - (i) the rate determined by the Servicer or Special Servicer, as applicable, that approximates the market rate that would be obtainable by the Obligors on a loan with terms similar to the Securitised Loan as of such date of determination;
 - (ii) 3 per cent. plus the margin on the Securitised Loan; and
 - (iii) the yield on the ten year gilt; and
- (b) for all other cash flows, including property cash flow, the discount rate set out in the most recent Valuation and, the Servicer or Special Servicer (as the case may be) shall instruct any valuer to ensure that a discount rate is included in any Valuation it instructs).

Par option and option to beat best price for the Class B Lender

Par option

The Special Servicer must give the Class B Lender notice at least 10 Business Days prior to:

- (a) instructing or concurring in the instruction of the appointment of a receiver in respect of the Mall Loan; or
- (b) commencing marketing in respect of the Assigned Assets,

inviting the Class B Lender to purchase the Assigned Assets from the Issuer for a price equal to the aggregate of (without double counting):

- (i) the outstanding principal balance of the Securitised Loan as at the relevant date;
- (ii) all accrued but unpaid interest and other amounts payable to the Issuer as Lender under the Finance Documents as at that date; and
- (iii) an amount equal to all fees, expenses and other amounts then payable by the Issuer in priority to amounts payable in respect of the Class A Notes (as certified by the Issuer Cash Manager to the Special Servicer and the Class B

Lender) in accordance with the relevant Issuer Priority of Payments and any other amounts (not otherwise referred to in paragraphs (i) or (ii) above) payable by the Issuer (the **Option Price**).

If the Class B Lender wishes to purchase the Assigned Assets at the above price it must, by close of business on the tenth Business Day after the date of service of the Special Servicer's notice, send written notice of the same to the Special Servicer.

The Issuer will then be obliged to sell and the Class B Lender will be obliged to purchase the Assigned Assets at the Option Price (such sale to take place no later than the tenth Business Day after the date of service of the notice above by the Class B Lender).

Option to beat best price

If the Special Servicer has commenced marketing of the Assigned Assets with a view to selling them, then promptly upon receipt of final bids, the Special Servicer will send notice of the highest bid received to the Class B Lender.

The Class B Lender will then have three Business Days during which to make an offer to purchase the Assigned Assets for a consideration of (a) a purchase price of an amount at least £1 greater than the highest bid received by the Special Servicer and (b) a binding undertaking to pay the costs to date (both internal and third party) (plus any applicable VAT) of the entity (or entities if more than one entity submits the same highest bid) which submitted the highest bid, in connection with its work undertaken in respect of making its bid.

If the Class B Lender makes such an offer, the Issuer will be obliged to sell and the Class B Lender will be obliged to purchase the Assigned Assets for the consideration referred to above (such sale to take place no earlier than the fifth Business Day and no later than the tenth Business Day after the offer to purchase the Assigned Assets is made by the Class B Lender).

Failure by Class B Lender

If the Class B Lender becomes obliged to purchase the Assigned Assets and fails to do so when required, and such failure continues for a period in excess of 10 days Business Days, the relevant option (and, if the failure relates to the par option, the option to beat best price) shall lapse and the Issuer will no longer be obliged to sell the Assigned Assets to the Class B Lender pursuant to either option.

Termination for cause of the appointment of the Servicer or Special Servicer

If one or more Servicing Termination Events occurs in respect of the Servicer or the Special Servicer then the Issuer, or following the delivery of an IST Notice, the Issuer Security Trustee, may (but shall not be obliged to) serve written notice on the relevant Servicer to terminate the appointment of the Servicer or the

Special Servicer, as applicable. The following constitute **Servicing Termination Events** under the Servicing Agreement:

- (a) in respect of the Servicer only, failure by the Servicer, the Mall Loan Facility Agent or the Mall Loan Security Agent (but only, in the case of failure by the Mall Loan Facility Agent or the Mall Loan Security Agent (as applicable) is an affiliate of the Servicer) to remit funds to or for the account of the Issuer where the same are required to be remitted by any such entity under the Servicing Agreement or the Finance Documents (as applicable) by 11.00 a.m. (London time) on the Business Day two days following the date on which the same were required to be remitted, but only where there are sufficient funds available in the account from which such funds were required to be remitted;
- (b) failure by the Special Servicer to remit funds to or for the account of the Issuer where the same are required to be remitted by it under the Servicing Agreement (if applicable) or any other Servicer Document by 11.00 a.m. (London time) on the Business Day two days following the date on which the same were required to be remitted, but only where there are sufficient funds available in the account from which such funds were required to be remitted;
- (c) failure by the Servicer or Special Servicer, as applicable, to observe or perform in any material respect any of its other obligations under the Servicing Agreement (whether failure of a specific obligation or failure to observe or act according to the Servicing Standard) and such failure continues unremedied for a period of 30 days after the earlier to occur of (i) the date on which the Servicer or Special Servicer, as applicable, becomes aware of such failure and (ii) the date on which written notice of such failure is given to the Servicer or Special Servicer, as applicable, by the Issuer, or following the service of an IST Notice, the Issuer Security Trustee;
- (d) a breach in any material respect by the Servicer or Special Servicer, as applicable, of any representation or warranty given by it under the Servicing Agreement in any respect, and the circumstances giving rise to such breach are not remedied by the date falling 30 days after the earlier to occur of (i) the date on which the Servicer or Special Servicer, as applicable, becomes aware of such breach and (ii) the date on which written notice of such breach is given to the Servicer or Special Servicer, as applicable, by the Issuer, or following the service of an IST Notice, the Issuer Security Trustee;
- (e) the Servicer or Special Servicer, as applicable, becomes subject to insolvency or insolvency proceedings (save any

such proceedings which are being disputed in good faith and are in any event discharged within 30 days);

- (f) it becomes unlawful for the Servicer or Special Servicer, as applicable, to perform any material part of its obligations under the Servicing Agreement (except in circumstances where no other person could lawfully perform such material part of those obligations set out in the Servicing Agreement); and
- (g) the Servicer or Special Servicer, as applicable, pays or has paid any part of its remuneration under the Servicing Agreement to any person (including any Class A Noteholder person related thereto) in connection with securing its appointment (or keeping such appointment) under the Servicing Agreement.

Debtholder Termination

If the Issuer Security Trustee is notified by the Note Trustee that the Class A Noteholders (acting by Extraordinary Resolution) has directed that the Servicer and/or the Special Servicer be replaced, and (unless there is a Class A Note Event of Default then outstanding) the Class B Lender actively consents to such direction by a written notice to the Issuer Security Trustee, then the Issuer Security Trustee must (by written notice to the Servicer or Special Servicer, as applicable) terminate the appointment of the Servicer or Special Servicer, as applicable.

Resignation of the Servicer or Special Servicer

Each of the Servicer and the Special Servicer may resign from its appointment as such by giving to the Issuer and the Issuer Security Trustee at least three months' written notice to this effect.

Appointment of substitute

No termination of the appointment of, and resignation from appointment by the Servicer or the Special Servicer, as applicable, will be effective until (among other conditions) a replacement servicer or special servicer, as the case may be, has been appointed and has entered into a servicing agreement substantially similar to the terms of the Servicing Agreement (save as to remuneration) and the other Issuer Transaction Documents, if any, to which the Servicer or the Special Servicer, as applicable, is a party.

Note Maturity Plan

If (a) any part of the Securitised Loan remains outstanding on the date which is six months prior to the Final Maturity Date (the **Note Maturity Plan Trigger Date**) and (b) in the opinion of the Special Servicer, all recoveries then anticipated by the Special Servicer with respect to the Securitised Loan (whether by enforcement of the related Mortgage Loan Security, the Issuer Security or otherwise) are unlikely to be realised in full prior to the Final Maturity Date, the Special Servicer will be required, no later than 45 days of the Note Maturity Plan Trigger Date, to prepare a selection of proposals (the **Note Maturity Plan**) and present the same to the Issuer (which will provide a copy to the Class A Noteholders and the Class B Lender), the Note Trustee and the Issuer Security Trustee relating to the final disposal or other

resolution of the Securitised Loan, which assumes that the Class A Notes and the Class B Loan are not repaid on their Final Maturity Date. At least one proposal provided by the Special Servicer must be that the Issuer Security Trustee, at the cost of the Issuer, will engage an independent financial advisor or a receiver to advise the Issuer Security Trustee as to the realisation of the Issuer Security.

Upon receipt of the draft Note Maturity Plan, the Issuer will be required to convene a meeting of all Class A Noteholders and the Class B Lender (the non-attendance of which will not affect the validity of the meeting), at which the Class A Noteholders and the Class B Lender will have the opportunity to discuss the various proposals contained in the draft Note Maturity Plan with the Special Servicer. Following such meeting, the Special Servicer will modify the draft Note Maturity Plan and will promptly prepare and provide a final Note Maturity Plan to the Issuer, the Class A Noteholders, the Note Trustee, the Class B Lender and the Issuer Security Trustee.

Upon receipt of the final Note Maturity Plan, the Issuer will be required to convene a meeting of the Class A Noteholders at which the Class A Noteholders will be requested to select by way of Ordinary Resolution their preferred option among the proposals set forth in the final Note Maturity Plan. The proposal that receives approval of the Class A Noteholders by way of Ordinary Resolution will be implemented (without requiring the consent of the Class B Lender). If no proposal receives the approval of the Class A Noteholders by way of Ordinary Resolution at such meeting, then the Issuer Security Trustee will be deemed to be directed by the Class A Noteholders and, to the extent required, the Class B Lender to appoint a receiver in order to realise the secured assets of the Issuer at such time as the Issuer Security becomes enforceable in accordance with its terms pursuant to the Issuer Deed of Charge, provided that it will have no obligation to do so unless it has been indemnified and/or secured and/or pre-funded to its satisfaction in order to realise the Issuer Security.

General

Neither the Servicer nor the Special Servicer will be liable for any failure by the Issuer to make any payment due by it under the Class A Notes or any of the other Issuer Transaction Documents unless such failure by the Issuer results from a failure by the Servicer or the Special Servicer with respect to its obligations under the Servicing Agreement.

YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS OF THE CLASS A NOTES

The yield to maturity on the Class A Notes will depend upon the price paid by the Class A Noteholders, the interest rate thereof from time to time, the rate and timing of the distributions in reduction of the Principal Amount Outstanding of the Class A Notes and the rate, timing and severity of losses on the Securitised Loan, as well as prevailing interest rates at the time of payment or loss realisation.

The distributions of principal that Class A Noteholders receive in respect of the Class A Notes are derived from principal prepayments or repayments on the Securitised Loan.

The rate of distributions of principal in reduction of the Principal Amount Outstanding of the Class A Notes, the aggregate amount of distributions in principal on the Class A Notes and the yield to maturity on the Class A Notes will be directly related to the rate of payments of principal on the Mall Loan, the amount and timing of Borrower defaults and the severity of losses occurring upon a default.

Losses with respect to the Securitised Loan may occur in connection with a default on the Mall Loan and/or the liquidation of all or part of the Properties.

Class A Noteholders will only receive distributions of principal or interest when due to the extent that the related payments under the Issuer Assets are actually received. Consequently, any defaulted payment will, to the extent of the principal portion thereof, tend to extend the weighted average lives of the Class A Notes.

The rate of payments (including prepayments) on the Securitised Loan is influenced by a variety of economic, geographic, social and other factors, including the level of interest rates, the amount of prior refinancing effected by the Borrower and the rate at which the Borrower defaults on the Mall Loan. The terms of the Securitised Loan and, in particular, the extent to which the Borrower is entitled to prepay the Securitised Loan, the ability of the Borrower to realise income from the Properties in excess of that required to meet scheduled payments of interest on the Securitised Loan, the obligation of the Borrower to ensure that certain debt service coverage tests are met, the risk of compulsory purchase of the Properties and the risk that payments by the Borrower may become subject to Mall Loan Tax or result in an increased cost for the Issuer may affect the rate of principal payments on the Securitised Loan and, consequently, the yield to maturity of the Class A Notes.

The timing of changes in the rate of prepayment on the Securitised Loan may significantly affect the actual yield to maturity experienced by an investor, even if the average rate of principal payments experienced over time is consistent with such investor's expectation. In general, the earlier a prepayment of principal on the Securitised Loan, the greater the effect on such investor's yield to maturity. As a result, the effect on such investor's yield of principal payments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the Class A Notes would not be fully offset by a subsequent like reduction (or increase) in the rate of principal payments.

No representation is made as to the rate of principal payments on the Securitised Loan or as to the yield to maturity of the Class A Notes. An investor is urged to make an investment decision with respect to the Class A Notes based on the anticipated yield to maturity of the Class A Notes resulting from its purchase price and such investor's own determination as to anticipated prepayment rates in respect of the Securitised Loan under a variety of scenarios. The extent to which the Class A Notes are purchased at a discount or a premium and the degree to which the timing of payments on such Class A Notes is sensitive to prepayments will determine the extent to which the yield to maturity of such Class A Notes may vary from the anticipated yield. An investor should carefully consider the associated risks, including, in the case of any Class A Notes purchased at a discount, the risk that a

slower than anticipated rate of principal payments on the Securitised Loan could result in an actual yield to such investor that is lower than the anticipated yield and, in the case of any Class A Notes purchased at a premium, the risk that a faster than anticipated rate of principal payments could result in an actual yield to such investor that is lower than the anticipated yield.

An investor should consider the risk that a rapid rate of prepayments on the Securitised Loan, and therefore of amounts distributable in reduction of the principal balance of the Class A Notes may coincide with periods of low prevailing interest rates. During such periods, the effective interest rates on securities in which an investor may choose to reinvest such amounts distributed to it may be lower than the applicable rate of interest on the Class A Notes. Conversely, slower rates of prepayments on the Securitised Loan, and therefore, of amounts distributable in reduction of the principal balance of the Class A Notes entitled to distributions of principal, may coincide with periods of high prevailing interest rates. During such periods, the amount of principal distributions resulting from prepayments available to an investor in Notes for reinvestment at such high prevailing interest rates may be relatively small.

Weighted average life of the Class A Notes

The weighted average life of a Class A Note refers to the average amount of time that will elapse from the date of its issuance until each pound allocable to principal of such Class A Note is distributed to the investor. For the purposes of this Offering Circular, the weighted average life of a Class A Note is determined by (a) multiplying the amount of each principal distribution thereon by the number of years from 12 December 2014 to the related Interest Payment Date (assuming such date was also a Principal Prepayment Date), (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in the Principal Amount Outstanding of such Class A Note. Accordingly, the weighted average life of any such Class A Note will be influenced by, among other things, the rate at which principal of the Securitised Loans is paid or otherwise collected or advanced and the extent to which such payments, collections or advances of principal are in turn applied in reduction of the Principal Amount Outstanding of the Class A Notes.

For the purposes of preparing the following table, it was assumed that:

- (a) the initial Principal Amount Outstanding of, and the interest rates for, the Class A Notes are as set out in this Offering Circular;
- (b) in no scenario is there a Mall Loan Event of Default;
- (c) there are no delinquencies or losses in respect of the Mall Loan, there are no extensions to the Mall Loan Termination Date and there are no casualties or compulsory purchases affecting the Properties;
- (d) the closing date is 12 December 2014;
- (e) the first Interest Payment Date is 28 January 2015; and
- (f) the weighted average lives of the Class A Notes have been calculated on an Actual/365 basis.

Assumptions (a) through (f) are collectively known as the **Modelling Assumptions**.

Scenario 1: it is assumed that the Mall Loan is repaid in full on the Mall Loan Termination Date.

Scenario 2: it is assumed that the Mall Loan is prepaid in full on the next Mall Loan Payment Date on which prepayment penalties step down to 1.0 per cent. (22 October 2015) (note that prepayment

fees would not have applied in respect of a disposal of either (but not both) of the Camberley Property or the Walthamstow Property).

Scenario 3: it is assumed that the Mall Loan is prepaid in full on the first Mall Loan Payment Date on which prepayments incur zero prepayment penalties (22 April 2017) (note that prepayment fees would not have applied in respect of a disposal of either (but not both) of the Camberley Property or the Walthamstow Property).

Based on the Modelling Assumptions, the following table indicates the resulting weighted average lives of the Class A Notes.

Weighted average life (years) of the Class A Notes for each designated scenario

	Scenario		
Class	1	2	3
A	4.48	0.88	2.38

DESCRIPTION OF THE CLASS A NOTES

The information set out below has been obtained from the Clearing Systems insofar as it relates to the rules and procedures governing the operatives of the Clearing Systems. The Issuer confirms that this information has been accurately reproduced, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect, and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Registrar, the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Account Bank, or any Agent party to the Agency Agreement (or any affiliate of any of the above, or any person by whom any of the above is controlled) will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

General

The Class A Notes will be in the denomination of £100,000 and integral multiples of £1,000 in excess thereof and will be represented initially by a Global Note in registered form. The Global Note will be deposited with the common depository for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of the common depository, on or about the Closing Date. Upon deposit of the Global Note, Euroclear and/or Clearstream, Luxembourg will credit each subscriber with a principal amount of Class A Notes equal to the principal amount thereof for which each such subscriber has subscribed and paid.

Holding of beneficial interests in Global Note

Ownership of beneficial interests in respect of the Global Note will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg (**direct participants**) or persons that hold beneficial interests in the Global Note through participants (**indirect participants**) and, together with direct participants, **participants**), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg either directly or indirectly. Indirect participants will also include persons that hold beneficial interests through such indirect participants. Beneficial interests in the Global Note will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the participants' accounts with the respective interests beneficially owned by such participants on each of their respective book-entry registration and transfer systems. Ownership of beneficial interests in the Global Note will be shown on, and transfers of beneficial interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their participants) and on the records of participants or indirect participants (with respect to the interests of their participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability of persons within such jurisdictions or otherwise subject to the laws thereof to own, transfer or pledge beneficial interests in the Global Note.

Except as set out below under "Issuance of Definitive Notes", participants or indirect participants will not be entitled to have Class A Notes registered in their names, will not receive or be entitled to receive physical delivery of Class A Notes in definitive registered form and will not be considered the holders thereof under the Note Trust Deed. Accordingly, each person holding a beneficial interest in a Global Note must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and indirect participants must rely on the procedures of the participant or indirect

participants through which such person owns its beneficial interest in the Global Note to exercise any rights and obligations of a holder of Class A Notes under the Note Trust Deed.

Unlike legal owners or holders of the Class A Notes, holders of beneficial interests in the Global Note will not have the right under the Note Trust Deed to act upon solicitations by the Issuer of consents or requests by the Issuer for waivers or other actions from Class A Noteholders. Instead, a holder of a beneficial interest in the Global Note will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of beneficial interests in the Global Note to vote on any requested actions on a timely basis. The Class A Noteholders should take steps to inform themselves of and to comply with the particular practice and policy of the relevant Clearing System in respect of voting and the associated timelines in respect of the same (and should make arrangements to vote with the relevant Clearing System in accordance with such policies and timelines). Similarly, upon the occurrence of a Class A Note Event of Default under the Class A Notes, holders of beneficial interests in the Global Note will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Note Trust Deed.

Purchasers of beneficial interests in the Global Note will hold such beneficial interests in the Global Note relating thereto. Investors may hold their beneficial interests in respect of the Global Note directly through Euroclear or Clearstream, Luxembourg, if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold beneficial interests in the Global Note on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

For further information regarding the purchase of beneficial interests in the Global Note, see the section entitled "Transfer Restrictions".

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfer of beneficial interests in the Global Note among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Issuer Security Trustee, the Agents or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

Payments on Global Note

Each payment of interest on and repayment of principal of the Class A Notes will be made in accordance with the Agency Agreement.

Payments of any amounts owing in respect of the Global Note will be made by the Issuer following receipt of any principal or interest on the Global Note, in sterling as follows: payments of such amounts in respect of the Global Note to be made to or to the order of the common depository for Euroclear or Clearstream, Luxembourg, or its nominee which will distribute such payments to Euroclear or Clearstream, Luxembourg participants who hold beneficial interests in the Global Note in accordance with the procedures of Euroclear or Clearstream, Luxembourg.

Under the terms of the Note Trust Deed, the Issuer and the Note Trustee will treat the registered holders of the Global Note as the owners thereof for the purposes of receiving payments and for all other purposes. Consequently, none of the Issuer, the Issuer Security Trustee, the Note Trustee, any Agent or any other agent of the Issuer, the Issuer Security Trustee or the Note Trustee has or will have any responsibility or liability for:

- (a) any aspect of the records of Euroclear or Clearstream, Luxembourg or any participant or indirect participant relating to or payments made on account of a beneficial interest or book-entry interest in the Global Note or for maintaining, supervising or reviewing any of the records of Euroclear or Clearstream, Luxembourg or any participant or indirect participant relating to or payments made on account of a beneficial interest in the Global Note; or
- (b) Euroclear or Clearstream, Luxembourg or any participant or indirect participant.

The Note Trustee is entitled to rely on any certificate or other document issued by Euroclear or Clearstream, Luxembourg for determining the identity of the several persons who are for the time being the beneficial holders of any beneficial interest in the Global Note.

All payments to the Class A Noteholders will be distributed without deduction or withholding for any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment by Euroclear or Clearstream, Luxembourg or its nominee, the respective systems will promptly credit their participants' accounts with payments in amounts proportionate to their respective ownership of beneficial interests in the Global Note as shown in the records of Euroclear or of Clearstream, Luxembourg. The Issuer expects that payments by participants to owners of beneficial interests in the Global Note held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name" or in the names of nominees for such customers. Such payments will be the responsibility of such participants or indirect participants. None of the Issuer, the Note Trustee, the Issuer Security Trustee, the Agents or any other agent of the Issuer, the Note Trustee, the Issuer Security Trustee or the Registrar will have any responsibility or liability for any aspect of the records of Euroclear or Clearstream, Luxembourg relating to or payments made by Euroclear or Clearstream, Luxembourg on account of a participant's ownership of beneficial interests in the Global Note or for maintaining, supervising or reviewing any records relating to a participant's ownership of beneficial interests in the Global Note.

Book-entry ownership

The Global Note will have an ISIN and a Common Code and will be deposited with, and registered in the name of USB Nominees (UK) Limited as nominee of the common depository, on behalf of the common depository for Euroclear and Clearstream, Luxembourg.

Information regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have informed the Issuer as follows:

Custodial and depository links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Global Note and secondary market trading of beneficial interests in the Global Note.

Clearstream, Luxembourg and Euroclear each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Clearstream, Luxembourg and Euroclear provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg and Euroclear also deal with domestic securities markets in several countries through established depository and custodial relationships. Clearstream, Luxembourg and Euroclear have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Clearstream, Luxembourg and Euroclear customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

Indirect access to Clearstream, Luxembourg and Euroclear is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

As Euroclear and Clearstream, Luxembourg act on behalf of their respective account holders only, who in turn may act on behalf of their respective clients, the ability of beneficial owners who are not account holders with Euroclear or Clearstream, Luxembourg to pledge interests in the Global Note to persons or entities that are not account holders with Euroclear or Clearstream, Luxembourg, or otherwise take action in respect of interests in the Global Note, may be limited.

The Issuer understands that under existing industry practices, if either the Issuer or the Note Trustee requests any action of owners of beneficial interests in the Global Note or if an owner of a beneficial interest in a Global Note desires to give instructions or take any action that a holder is entitled to give or take under the Note Trust Deed, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the direct participants owning the relevant beneficial interests to give instructions or take such action, and such direct participants would authorise indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

Redemption

For any redemptions of the Global Note in part, selection of the book-entry interests relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such other basis as Euroclear or Clearstream, Luxembourg deems fair and appropriate) provided that only bookentry interests in the original principal amount of £100,000 (and integral multiples of £1,000 in excess thereof) or integral multiples of such original principal amount will be redeemed. Upon any redemption in part, the Registrar will record in the Register the principal amount so redeemed.

Transfer and Transfer Restrictions

All transfers of beneficial interests in the Global Note will be recorded in accordance with the bookentry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its participants.

The Global Note will bear a legend substantially identical to that appearing in paragraph 2 (Legends on Global Note) under “Transfer Restrictions”. Until and including the 40th day after the later of the commencement of the offering of the Class A Notes and the closing date for the offering of the Class A Notes, beneficial interests in a Global Note may be held only through Euroclear or Clearstream, Luxembourg.

Transfer of Global Note

The Global Note may be transferred by the common depository to a replacement common depository.

Issuance of Definitive Notes

Holders of beneficial interests in the Global Note will be entitled to receive Definitive Notes representing Class A Notes in registered form in exchange for their respective holdings of beneficial interests only if:

- (a) (in the case of a Global Note held by or on behalf of the common depository) 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 in either case no alternative clearing system acceptable to the Note Trustee is in existence; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any other jurisdiction (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Class A Notes which would not be required were the Class A Notes in definitive registered form.

Any Definitive Notes issued in exchange for beneficial interests in a Global Note will be registered by the Registrar in such name or names as instructed by Euroclear or Clearstream, Luxembourg. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their participants with respect to ownership of the relevant beneficial interests. In no event will Definitive Notes be issued in bearer form.

DESCRIPTION OF THE NOTE TRUST DEED AND THE ISSUER DEED OF CHARGE

Note Trust Deed

The Note Trustee will be appointed pursuant to the Note Trust Deed to represent the interests of the Class A Noteholders. The Note Trustee will agree to hold the benefit of the covenants of the Issuer contained in the Note Trust Deed and certain of the covenants of the Issuer contained in the Issuer Deed of Charge on trust for itself and the Class A Noteholders.

Among other things, the Note Trust Deed:

- (a) sets out when, and the terms upon which, the Note Trustee will be entitled or obliged, as the case may be, to take steps to enforce the Issuer's obligations under the Class A Notes (or certain other Issuer Transaction Documents);
- (b) contains various covenants of the Issuer relating to repayment of principal and payment of interest in respect of the Class A Notes, to the conduct of its affairs generally and to certain on-going obligations connected with its issuance of the Class A Notes;
- (c) provides for the remuneration of the Note Trustee, the payment of expenses incurred by it in the exercise of its powers and performance of its duties, provides for the indemnification of the Note Trustee against, among other things, liabilities, losses and costs arising out of the Note Trustee's exercise of its powers and performance of its duties and provides for the Note Trustee to be indemnified and/or secured and/or pre-funded to its satisfaction before exercising certain powers and discretions;
- (d) provides that the determinations of the Note Trustee will be conclusive and binding on the Class A Noteholders;
- (e) sets out the extent of the Note 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;
- (f) sets out the scope of the Note Trustee's liability for any fraud, negligence or wilful default in connection with the exercise of its duties;
- (g) sets out the terms upon which the Note Trustee may, without the consent of the Class A Noteholders, waive or authorise any breach or proposed breach of covenant by the Issuer or determine that a Class A Note Event of Default or an event which will become a Class A Note Event of Default with the giving of notice or the passage of time will not be treated as such;
- (h) sets out the terms upon which the Note Trustee may, without the consent of the Class A Noteholders, make or sanction any modification to the Conditions or to the terms of the Note Trust Deed, certain other Issuer Transaction Documents or the Finance Documents; and
- (i) sets out the requirements for the organisation of Class A Noteholder meetings and provides that convening of a meeting will be deemed to include proposing a resolution by way of Negative Consent (unless expressly prohibited from doing so) or by way of Written Resolution or Electronic Resolution.

The Note Trust Deed also contains provisions governing the retirement or removal of the Note Trustee and the appointment of a replacement Note Trustee. The Note Trustee may at any time and

for any reason resign as Note Trustee upon giving not less than 90 days' prior written notice to the Issuer. The holders of the Class A Notes, by Extraordinary Resolution, may together remove the Note Trustee from office provided that all provisions of the Note Trust Deed with respect to such removal (and subsequent replacement and appointment of a replacement Note Trustee) are complied with in full. No retirement or removal of the Note Trustee (or any replacement Note Trustee) will be effective until a trust corporation has been appointed to act as replacement Note Trustee.

The appointment of a replacement Note Trustee will be made by the Issuer or, where the Note 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 Note Trustee itself. The appointment of any new note trustee must be approved by Extraordinary Resolution of the Class A Noteholders.

Issuer Deed of Charge

The Issuer will create security (the **Issuer Security**) over all of its assets and undertakings, in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge including:

- (a) an assignment (and, to the extent not assignable, charge) of its rights in respect of the Issuer Charged Documents;
- (b) an assignment (or, to the extent not assignable, charge) of its rights in respect of any amount standing from time to time to the credit of the Issuer Accounts;
- (c) a charge of its rights in respect of all shares, stocks, debentures, bonds or other securities and investments owned by it or held by a nominee on its behalf; and
- (d) a first floating charge of its assets not otherwise mortgaged, charged or assigned under the Issuer Deed of Charge.

The Issuer Security is held on trust by the Issuer Security Trustee for itself and the other Issuer Secured Creditors in respect of any and all monies, obligations and liabilities incurred or otherwise payable by or on behalf of the Issuer to the Issuer Secured Creditors under the Class A Notes, the Class B Loan Agreement and the other Issuer Transaction Documents.

The Issuer Deed of Charge:

- (a) regulates the relationships between the various Issuer Secured Creditors (including Class A Noteholders and the Class B Lender) and sets out the Issuer Priorities of Payments (refer to the section entitled "Cashflow and Issuer Priorities of Payments" for further information);
- (b) incorporates market standard provisions whereby all Issuer Secured Creditors agree that the Issuer Security Trustee alone may enforce the Issuer Security;
- (c) includes market standard limited recourse and non-petition provisions;
- (d) sets out whose interests the Issuer Security Trustee should have regard to when there is a conflict between the interests of the Class A Noteholders and the Class B Lender or between the Debt Holders and the other Issuer Secured Creditors;
- (e) sets out the circumstances in which the Class B Lender's consent is required (see also the section entitled "Description of the Class B Loan Agreement" for further details); and
- (f) will contain provisions similar to those set out under the section entitled "Par option and option to beat best price for the Class B Lender" within the section entitled "Key terms of the

servicing arrangements for the Securitised Loan” affording the Class B Lender an option to purchase the Assigned Assets in certain situations.

CLASS A NOTEHOLDER COMMUNICATIONS

Communications between Class A Noteholders and/or the Class B Lender

Any Verified Noteholder or the Class B Lender will be entitled from time to time to request the Issuer Cash Manager to request other Class A Noteholders and/or the Class B Lender to contact it subject to and in accordance with the following provisions.

For these purposes **Verified Noteholder** means a then current Class A Noteholder which has satisfied the Issuer Cash Manager of its holding of an interest in the Class A Notes in accordance with Condition 13.16 (Class A Notes being held through Euroclear or Clearstream, Luxembourg).

Following receipt of a request for the publication of a notice from a Verified Noteholder (being the Initiating Noteholder) or the Class B Lender, the Issuer Cash Manager will publish such notice on its investor reporting website and as an addendum to any Issuer Cash Manager Quarterly Report or other report to Class A Noteholders and the Class B Lender due for publication within five Business Days of receipt of the same (or, if there is no such report, through a special notice for such purpose as soon as is reasonably practical after receipt of the same) provided that such notice contains no more than:

- (a) an invitation to other Verified Noteholders (or to the Class B Lender) to contact the Initiating Noteholder or the Class B Lender, as applicable;
- (b) the name of the Initiating Noteholder or the Class B Lender, as applicable, and the address, phone number, website or email address at which the Initiating Noteholder or the Class B Lender, as applicable, can be contacted; and
- (c) the date(s) from, on or between which the Initiating Noteholder or the Class B Lender, as applicable, may be so contacted.

The Issuer Cash Manager will not be permitted to publish any further or different information through this mechanism.

The Issuer Cash Manager will have no responsibility or liability for the contents, completeness or accuracy of any such published information and will have no responsibility (beyond publication of the same in the manner described above) for ensuring Class A Noteholders or the Class B Lender receive the same or for any action taken in furtherance of such notice.

Communications between the Servicer and Class A Noteholders/Class B Lender

The Servicer will, subject to the terms of the Servicing Agreement, create and maintain a record of:

- (a) the name and contact details of entities which own an ultimate beneficial interest in respect of the Class A Notes (and the Principal Amount Outstanding of each relevant holding), to the extent that the Servicer has received confirmation from the Issuer Cash Manager that such entities are Verified Noteholders; and
- (b) the name and contact details of the Class B Lender.

Class A Noteholders are strongly encouraged to register their holding of the Class A Notes with the Servicer as soon as possible after obtaining such interest.

Class A Noteholders can register their interest in the Class A Notes with the Servicer by contacting the Servicer at Third Floor, New City Court, 20 St Thomas Street, London SE1 9RS (attention:

Jonathan Banks) and proving to the Issuer Cash Manager's satisfaction that they are a Verified Noteholder.

The Servicer will, subject to the terms of the Servicing Agreement, contact Class A Noteholders and (for information purposes only, unless the same also constitutes a formal request to the Class B Lender) the Class B Lender appearing on such record in order to provide them with a copy of any notice given to the Class A Noteholders pursuant to Condition 17 (Notice to Class A Noteholders) in respect of any Finance Document Request. Such copy will be provided on the same day (or, for any notices received by the Servicer after 12 noon on any day, on the following Business Day) as notice is given pursuant to Condition 17 (Notice to Class A Noteholders) subject to the Servicer not having to provide such notice:

- (a) if it has not received a copy of such notice by the Issuer (unless the Servicer itself prepared the relevant notice);
- (b) to a person which it reasonably believes is no longer a Class A Noteholder or the Class B Lender or in respect of any such person the contact details of whom are reasonably believed by the Servicer to be incorrect or otherwise out of date; or
- (c) if it reasonably believes that sending a copy of such notice would violate any applicable law or regulation.

The Servicer shall have no responsibility or liability to any person in respect of the above and, in particular but without limitation, will have no responsibility (beyond sending, subject to the terms of the Servicing Agreement, copies of notices to the contact details contained in the record) for ensuring the Class A Noteholders receive any notices distributed to contact details contained on such record.

TERMS AND CONDITIONS OF THE CLASS A NOTES

The following are the terms and conditions of the Class A Notes in the form (subject to amendment) in which they will be set out in the Note Trust Deed. The terms and conditions set out below will apply to the Class A Notes in global form.

The £196,666,000 Class A Commercial Mortgage Backed Fixed/Floating Rate Notes due 2021 (the **Class A Notes**) of Zephyrus (European Loan Conduit No. 30) plc (the **Issuer**) are constituted by a note trust deed dated on or about 19 December 2014 (the **Closing Date**) (the **Note Trust Deed**, which expression includes such note trust deed as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so modified) and made between the Issuer and U.S. Bank Trustees Limited (the **Note Trustee**, which expression includes its successors or any other trustees under the Note Trust Deed) as trustee for the holders for the time being of the Class A Notes.

Concurrently with the issue of the Class A Notes, the Issuer will draw down a £25,000,000 loan pursuant to a loan agreement dated on or about the Closing Date between the Issuer and the party named therein as the Class B Lender (the **Class B Loan Agreement**, which expression includes such loan agreement as from time to time modified in accordance with the provisions therein contained and any agreement, deed or other document expressed to be supplemental thereto, as from time to time modified). The Conditions relate solely to the Class A Notes. However, the Class B Loan is referred to insofar as it is relevant to the issue of the Class A Notes.

The holders of the Class A Notes are referred to in these terms and conditions (the **Conditions**) as the **Class A Noteholders**. Any reference to the **Instruments** shall be a reference to the Class A Notes and the Class B Loan.

The security for the Instruments is constituted by a deed of charge dated on or about the Closing Date (the **Issuer Deed of Charge**, which expression includes such deed of charge as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) and made between, among others, the Issuer and U.S. Bank Trustees Limited (the **Issuer Security Trustee**, which expression includes its successors or any other trustees under the Issuer Deed of Charge).

By an agency agreement dated on or about the Closing Date (the **Agency Agreement**, which expression includes such agency agreement as from time to time modified in accordance with the provisions therein contained and any agreement, deed or other document expressed to be supplemental thereto, as from time to time so modified) and made between, among others, the Issuer, the Note Trustee and Elavon Financial Services Limited, U.K. Branch in its separate capacities under the same agreement as principal paying agent (the **Principal Paying Agent**, which expression includes its successors or any other principal paying agent appointed in respect of the Class A Notes) and the agent bank (the **Agent Bank**, which expression includes its successors or any other agent bank appointed in respect of the Class A Notes) (the Principal Paying Agent being together with any other paying agents, if any, appointed from time to time pursuant to the Agency Agreement, the **Paying Agents**) and Elavon Financial Services Limited, as registrar (the **Registrar**, which expression includes its successors or any other registrar appointed in respect of the Class A Notes and, together with the Paying Agents and the Agent Bank, the **Agents**), provision is made for, among other things, the payment of principal and interest in respect of the Class A Notes.

The Class A Noteholders and all persons claiming through them or under the Class A Notes are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Note Trust Deed, the Issuer Deed of Charge, the Agency Agreement and the other Issuer Transaction Documents applicable to them.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Finance Documents, the Note Trust Deed, the Issuer Deed of Charge, the Agency Agreement, the master definitions schedule entered into by, among others, the Issuer, the Note Trustee, the Issuer Security Trustee and the Agents (the **Master Definitions Schedule**), and the other Issuer Transaction Documents dated on or about the Closing Date.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Agency Agreement, the Master Definitions Schedule, the Servicing Agreement, the Cash Management Agreement, the Account Bank Agreement, the Corporate Services Agreement and the memorandum and articles of association of the Issuer are available for inspection during normal business hours at the specified offices for the time being of the Principal Paying Agent.

Capitalised terms not otherwise defined in these Conditions shall bear the meaning given to them in the Master Definitions Schedule available, as described above. These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions Schedule.

1. FORM, DENOMINATION AND TITLE

1.1 Form and denomination

- (a) The Class A Notes will initially be represented by a global note certificate in registered form (the **Global Note**).
- (b) For so long as any of the Class A Notes are represented by a Global Note, transfers and exchanges of beneficial interests in such Global Note and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), as appropriate. The Global Note will be deposited with and registered in the name of a nominee of the common depository for Euroclear and Clearstream, Luxembourg.
- (c) For so long as the Class A Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Class A Notes shall be tradable only in the minimum nominal amount of £100,000 and higher integral multiples of £1,000, notwithstanding that no registered Definitive Notes (as defined below) will be issued with a denomination above £199,000.

1.2 Title

- (a) Title to the Class A Notes passes only by and upon registration in the register of Class A Noteholders (the **Register**) which the Issuer shall procure is kept by the Registrar. The registered holder of any Class A Note will (except as otherwise required by law) 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 or any writing on, or the theft or loss of, the Global Note issued in respect of it) and no person will be liable for so treating the holder.
- (b) Ownership of interests in respect of the Global Note will be limited to persons who have accounts with Euroclear and/or Clearstream, Luxembourg or persons who hold interests through such participants. Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream, Luxembourg and their participants. Beneficial interests in the Global Note may not be held by a U.S. person (as defined in Regulation S under the Securities Act) at any time.

1.3 Global Note

- (a) Upon deposit of the Global Note, Euroclear or Clearstream, Luxembourg, as applicable, will credit the account of each Accountholder (as defined below) with the principal amount of Class A Notes for which it has subscribed and paid.
- (b) References in these Conditions to Euroclear and/or Clearstream, Luxembourg shall, wherever the context so admits, be deemed to include reference to any additional or alternative clearing system approved by the Note Trustee.
- (c) Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, as the case may be, as being entitled to an interest in the Global Note (each an **Accountholder**) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to such Accountholder and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system (as the case may be) from time to time. For so long as the relevant Class A Notes are represented by a Global Note, Accountholders shall have no claim directly against the Issuer.

2. DEFINITIVE NOTES

2.1 Issue of Definitive Notes

- (a) The Global Note will be exchangeable for definitive Class A Notes in registered form (**Definitive Notes**) in an aggregate principal amount equal to the Principal Amount Outstanding (as defined in Condition 7.5 (Principal Amount Outstanding and Note Factor)) of the Global Note only if any of the following circumstances apply:
 - (i) in the case of a Global Note held by or on behalf of the common depository, either Euroclear or Clearstream, Luxembourg:
 - (A) is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or
 - (B) announces an intention permanently to cease business or does in fact do so,and in either case no alternative clearing system acceptable to the Note Trustee is in existence; or
 - (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or of any other jurisdiction (or any political sub-division thereof) or of any authority therein or thereof having the power to tax, or in the interpretation or administration of such laws or regulations, which has become effective on or after the Closing Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Class A Notes which would not be required if the Class A Notes were in definitive registered form.

- (b) If Definitive Notes are issued in respect of Class A Notes originally represented by a Global Note, the beneficial interests represented by such Global Note shall be exchanged by the Issuer for the relevant Class A Notes in registered definitive form. The aggregate principal amount of the Definitive Notes shall be equal to the Principal Amount Outstanding of the Class A Notes at the date of exchange of the Global Note, subject to and in accordance with the detailed provisions of these Conditions, the Agency Agreement, the Note Trust Deed and the Global Note.
- (c) Definitive Notes (which, if issued, will be in the denomination set out below) will be serially numbered and will be issued in registered form only.
- (d) Each Definitive Note will have, in respect of the Class A Notes, a minimum original principal amount of £100,000, subject to and in accordance with the detailed provisions of these Conditions, the Agency Agreement, the Note Trust Deed and the Global Note.
- (e) Each Definitive Note will be serially numbered.
- (f) Definitive Notes, if issued, will be available at the offices of any Paying Agent. If the Issuer fails to meet its obligations to issue Class A Notes in definitive form in exchange for the Global Note, then the Global Note shall remain in full force and effect.
- (g) For the purposes of these Conditions references herein to Class A Notes shall include the Global Note and the Definitive Notes. These Conditions and the Issuer Transaction Documents will be amended in such manner as the Note Trustee and the Issuer Security Trustee require to take account of the issue of Definitive Notes.

2.2 Title to and transfer of Definitive Notes

- (a) Title to a Definitive Note will pass upon registration in the Register. A Definitive Note may be transferred in whole or in part provided that any partial transfer relates to an original principal amount of at least £100,000 upon surrender of such Definitive Note, at the specified office of the Registrar.
- (b) In the case of a transfer of part only of a Definitive Note, a new Definitive Note in respect of the balance not transferred (subject to such balance not being less than £100,000) will be issued to the transferor. All transfers of Definitive Notes are subject to any restrictions on transfer set out in such Definitive Notes and the Transfer Restrictions.

3. STATUS AND RELATIONSHIP BETWEEN THE CLASS A NOTES AND THE CLASS B LOAN AND SECURITY

3.1 Status and relationship between the Class A Notes and the Class B Loan

- (a) The Class A Notes constitute unconditional (subject as provided in Condition 11 (Enforcement)), direct, secured and limited recourse obligations of the Issuer. The Class A Notes will rank:
 - (i) *pari passu* without any preference or priority among themselves as to payments of interest, principal and other amounts at all times; and
 - (ii) prior to the service of an Issuer Debt Acceleration Notice:

- (A) while a Sequential Payment Trigger is not occurring, the Class A Notes will rank senior to the Class B Loan in respect of all payments, other than the payment of principal (which will be paid on a *pro rata* basis to the Class A Noteholders and the Class B Lender (with the amount payable to the Class B Lender being reduced by an amount equal to any Principal Workout Fees due to the Special Servicer)) and the payment of Class A Additional Interest; and
- (B) while a Sequential Payment Trigger is occurring, the Class A Notes will rank senior to the Class B Loan in respect of all payments, other than the payment of Class A Additional Interest,
- (iii) following the service of an Issuer Debt Acceleration Notice, the Class A Notes will rank senior to the Class B Loan in respect of all payments,

as provided in these Conditions and the Issuer Transaction Documents.

- (b) The Issuer Deed of Charge contains provisions requiring the Issuer Security Trustee to have regard to the interests of the Class A Noteholders and the Class B Lender equally as regards all rights, powers, trusts, authorities, duties and discretions of the Issuer Security Trustee (except where expressly provided otherwise), but requiring the Issuer Security Trustee in any such case to have regard only to the interests of the Class A Noteholders (for so long as there are any Class A Notes outstanding) if, in the Issuer Security Trustee's opinion, there is a conflict between the interests of:
 - (i) the Class A Noteholders; and
 - (ii) any of the other Issuer Secured Creditors (including the Class B Lender).
- (c) The Issuer Deed of Charge also contains provisions requiring the Issuer Security Trustee to, if there is a conflict between the interests of (a) the Class A Noteholders and the Class B Lender and (b) any of the other Issuer Secured Creditors, have regard only to the interests of the Class A Noteholders and the Class B Lender.
- (d) Nothing in the Note Trust Deed or the Class A Notes shall be construed as giving rise to any relationship of agency or partnership between the Class A Noteholders and any other person and each Class A Noteholder shall be acting entirely for its own account in exercising its rights under the Note Trust Deed or the Class A Notes.

3.2 Security

- (a) As security for its obligations under, amongst other things, the Class A Notes and the Class B Loan, the Issuer has granted the following security (the **Issuer Security**) in favour of the Issuer Security Trustee on trust for itself, the Class A Noteholders, the Class B Loan and the other Issuer Secured Creditors pursuant to the Issuer Deed of Charge:
 - (i) an assignment (or to the extent not assignable, a charge by way of a first fixed charge over) of the Issuer's rights in respect of the Issuer Charged Documents;
 - (ii) an assignment (or to the extent not assignable, a charge by way of a first fixed charge over) of the Issuer's rights in respect of any amount standing from time to time to the credit of the Issuer Accounts;

- (iii) a first fixed charge over the Issuer's rights in respect of all shares, stocks, debentures, bonds or other securities and investments owned by it or held by a nominee on its behalf; and
 - (iv) a first floating charge over all of the Issuer's assets (other than those subject to the fixed charges or assigned as set out in sub-paragraphs (i) to (iii) above).
- (b) The Class A Noteholders, the Class B Lender and the other Issuer Secured Creditors will share in the benefit of the security constituted by the Issuer Deed of Charge, upon and subject to the terms and conditions of the Issuer Deed of Charge.

3.3 Restrictions on disposal of Issuer Security

- (a) The Issuer Deed of Charge contains provisions regulating the priority of application of the Issuer Security (and the proceeds thereof) by the Issuer Cash Manager (on behalf of the Issuer or the Issuer Security Trustee, as applicable) among the persons entitled thereto prior to the service of an Issuer Debt Acceleration Notice and after the service of an Issuer Debt Acceleration Notice.
- (b) If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Class A Notes or the Class B Loan, the Issuer Security Trustee will not be entitled to dispose of the undertaking, property or assets secured under the Issuer Security or any part thereof or otherwise realise the Issuer Security unless:
- (i) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Class A Noteholders and the Class B Lender and any amounts required under the Issuer Deed of Charge to be paid *pari passu* with, or in priority to, the Class A Notes and the Class B Loan; or
 - (ii) the Issuer Security Trustee is of the opinion, which shall be binding on the Class A Noteholders, the Class B Lender and the Issuer Secured Creditors, reached after considering at any time and from time to time the advice of such professional advisers as are selected by the Issuer Security Trustee (at the cost of the Issuer), upon which the Issuer Security Trustee shall be entitled to rely, that the cashflow prospectively receivable by the Issuer Security Trustee or the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to (A) the Class A Noteholders, the Class B Lender and any amounts required under the Issuer Deed of Charge to be paid *pari passu* with, or in priority to, the Class A Notes and the Class B Loan; and (B) once all the Class A Noteholders and the Class B Lender (and all such higher ranking persons) have been repaid, to the remaining Issuer Secured Creditors in the order of priority set out in the Post-Acceleration Priority of Payments; or
 - (iii) the Issuer Security Trustee considers, in its discretion, that to not effect such disposal or realisation would place the Issuer Security in jeopardy,

and in each case, the Issuer Security Trustee has been indemnified and/or secured and/or prefunded to its satisfaction.

- (c) Security interests created pursuant to the Issuer Deed of Charge will be released in respect of, among others, the following:
 - (i) all amounts which the Issuer Cash Manager, on behalf of the Issuer and the Issuer Security Trustee (if applicable), is permitted to withdraw from the Issuer Account(s), in accordance with the Issuer Deed of Charge, any such release to take effect immediately upon the relevant withdrawal being made; or
 - (ii) a sale of the Securitised Loan and any Mall Loan Security pertaining to it by the Special Servicer pursuant to the Servicing Agreement.

4. COVENANTS

4.1 Restrictions

- (a) The Issuer has given certain covenants to the Note Trustee and the Issuer Security Trustee in the Note Trust Deed and the Issuer Deed of Charge, respectively. In particular, save with the prior written consent of:
 - (i) the Note Trustee, in respect of the covenants in the Note Trust Deed; or
 - (ii) the:
 - (A) Issuer Security Trustee; or
 - (B) Note Trustee and the Class B Lender,in respect of the covenants in the Issuer Deed of Charge,or unless otherwise permitted under these Conditions, the Issuer Transaction Documents or the Finance Documents, the Issuer shall not, so long as any Class A Note or the Class B Loan remains outstanding:
 - (iii) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law or permitted under any of the Issuer Transaction Documents) or other security interest whatsoever over any of its assets or undertakings;
 - (iv) **Restrictions on activities:** (A) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Issuer Transaction Documents or the Finance Documents provide or envisage that the Issuer will engage; or (B) have any subsidiaries (as defined in the Companies Act 2006), any subsidiary undertakings (as defined in the Companies Act 2006) or any employees or premises;
 - (v) **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 undertakings or any interest, estate, right, title or benefit therein;
 - (vi) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders or issue any further shares;

- (vii) **Indebtedness:** incur any financial indebtedness, except as contemplated by the Instruments, or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (viii) **Merger:** consolidate or merge with any other person or convey or transfer its properties or assets substantially in their entirety to any other person;
- (ix) **No modification or waiver:** permit any of the Issuer Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, reduced, amended, terminated, postponed or discharged or consent to any variation of, or exercise any powers of consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Issuer Transaction Documents to which it is a party or permit any party to any of the Issuer Transaction Documents to which it is a party 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 any part of the Issuer Security or exercise any right to terminate any of the Issuer Transaction Documents to which it is a party (in each case, without prejudice to the Servicing Agreement and the express provisions of the Issuer Transaction Documents);
- (x) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Issuer Security Trustee on terms acceptable to it;
- (xi) **Corporation tax:** prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the Taxation of Securitisation Companies Regulations 2006 (S.I. 2006/3296);
- (xii) **VAT:** apply to become part of any group for the purposes of sections 43 to 43D of the Value Added Tax Act 1994 and the VAT (Groups: eligibility) Order (S.I. 2004/1931) with any other company or group of companies, or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same;
- (xiii) **Surrender of group relief:** offer or consent to surrender to any company any amounts which are available for surrender by way of group relief within Part 5 of the Corporation Tax Act 2010;
- (xiv) **Assets:** own assets other than those representing its share capital, the funds arising from the issue of the Class A Notes, the funds arising from the drawdown of the Class B Loan, the property, rights and assets secured by the Issuer Security, the benefit of the Issuer Transaction Documents and any other rights or interests created or acquired thereunder, as all of the same may vary from time to time;
- (xv) **U.S. activities:** not engage, or permit any of its Affiliates to engage, in any activities in the United States (directly or through agents), derive, or permit any of its Affiliates to derive, any income from sources within the United States as determined under United States federal income tax principles, or hold, or permit any of its Affiliates to hold, any property that would cause it or any of its Affiliates to be engaged or deemed to be engaged in a trade or

business within the United States as determined under United States federal income tax principles;

- (xvi) **Centre of main interests and business establishment:** have its centre of main interests or a business establishment anywhere other than England; and
- (xvii) **Independent directors:** maintain the appointment of at least one director(s) to be independent of the Borrower and each of the other Obligors. The independent director(s) of the Issuer shall be provided by a corporate services provider.
- (xviii) **New fees or amounts received under the Securitised Loan:** if the Issuer receives any type of payment under the Securitised Loan not contemplated as at the Closing Date, the amount of such payment will be allocated to the Class A Noteholders and the Class B Lender on a *pro rata* basis (according to the aggregate Principal Amount Outstanding to the Class A Noteholders and the Outstanding Principal Balance of the Class B Lender). These Conditions and the Issuer Transaction Documents will be amended in accordance with Condition 13 (Meetings of Class A Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties), the Note Trust Deed and the Class B Loan Agreement to take account of any such payments.

4.2 Save with the prior written consent of the:

- (a) Issuer Security Trustee; or
- (b) Note Trustee and the Class B Lender,

or unless otherwise permitted under any of the Issuer Transaction Documents or any of the Finance Documents, the Issuer shall, so long as any Class A Note or Class B Loan remains outstanding:

- (a) maintain its books and records, accounts and financial statements separate from any other person or entity and use separate stationery, invoices and cheques;
- (b) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its Affiliates (if any);
- (c) pay its own liabilities out of its own funds;
- (d) not commingle its assets with those of any other entity; and
- (e) observe all formalities required by its memorandum and articles of association (including maintaining adequate capital for its operations).

- 4.3 The Issuer will provide the Principal Paying Agent with copies of the Note Trust Deed, the Agency Agreement, the Issuer Deed of Charge, the Master Definitions Schedule, the Servicing Agreement, the Cash Management Agreement, the Account Bank Agreement, the Corporate Services Agreement, and the memorandum and articles of association of the Issuer, the Partnership Agreement, the memorandum and articles of association of the General Partner and the audited financial statements of the Borrower and the General Partner for the years ending 31 December 2012 and 31 December 2013, which will be available for inspection during normal business hours at the specified office for the time being of the Principal Paying Agent.

4.4 Issuer Cash Manager, Servicer and Special Servicer

So long as any of the Instruments remain outstanding, the Issuer will procure that there will at all times be a cash manager in respect of the monies from time to time standing to the credit of the Issuer Accounts and a servicer and a special servicer in respect of the Issuer Assets. None of the Issuer Cash Manager, the Servicer or the Special Servicer will be permitted to terminate its appointment unless a replacement cash manager, servicer or special servicer, as the case may be, has been appointed in accordance with the terms of the Cash Management Agreement and the Servicing Agreement, respectively.

5. INTEREST

5.1 Period of accrual

- (a) Each Class A Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date.
- (b) Each Class A Note (or, in the case of the redemption of part only of a Class A Note, that part only of such Class A Note) will cease to bear interest from its due date for redemption unless payment of the relevant amount of principal or any part thereof is improperly withheld or refused.
- (c) Where such payment of principal is improperly withheld or refused on any Class A Note, interest will continue to accrue thereon (before as well as after any judgment) at the rate applicable to such Class A Note up to (but excluding) the date on which payment in full of the relevant amount of principal, together with the interest accrued thereon, is made or (if earlier) the seventh day after notice is duly given to the holder thereof (either in accordance with Condition 17 (Notice to Class A Noteholders) or individually) that, upon presentation thereof being duly made, in the case of a Global Note, or otherwise in the case of a Definitive Note, such payment will be made, *provided that* upon presentation thereof being duly made, payment is in fact made.
- (d) Whenever it is necessary to compute an amount of interest for any period (including any Issuer Debt Interest Period (as defined below)), such interest shall be calculated on the basis of actual days elapsed and a 365 day year.

5.2 Interest Payment Dates and Issuer Debt Interest Periods

- (a) Interest on the Class A Notes is, subject as provided below in relation to the first Interest Payment Date and the first and second Interest Payment Dates immediately following the Mall Loan Termination Date, payable quarterly in arrear, on 28 January, 28 April, 28 July and 28 October in each year and on the Expected Maturity Date (or, if such day is not a Business Day, the next following Business Day in that calendar Month (if there is one) or the preceding Business Day (if there is not)),

(each, an **Interest Payment Date**) in respect of the Issuer Debt Interest Period ending immediately prior thereto.

- (b) The first Interest Payment Date in respect of the Class A Notes is the Interest Payment Date falling in January 2015 in respect of the period from (and including) the Closing Date to (but excluding) that Interest Payment Date. The first Interest Payment Date in respect of the Class A Notes following the Mall Loan Termination Date is the Expected Maturity Date in respect of the period from (and including) the Interest Payment Date falling in April 2019 to (but excluding) the Expected Maturity Date. The second Interest Payment Date in respect of the Class A Notes following the Mall Loan Termination Date is the Interest Payment Date falling in July 2019 in respect of the period from (and including) the Expected Maturity Date to (but excluding) that Interest Payment Date.
- (c) In these Conditions, the **Issuer Debt Interest Period** shall mean the period from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date *provided that* the first Issuer Debt Interest Period shall be the period from (and including) the Closing Date to (but excluding) the Interest Payment Date falling in January 2015. If an Issuer Debt Interest Period would otherwise end on a day which is not a Business Day, that Issuer Debt Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

5.3 Rate of Interest

- (a) The rate of interest payable from time to time in respect of the Class A Notes (the **Class A Rate of Interest**) will be determined by the Agent Bank on the basis of the following provisions.
- (b) The Rate of Interest applicable to the Class A Notes for any Issuer Debt Interest Period commencing on or after the Closing Date up to and excluding the Expected Maturity Date will be equal to (i) 1.86 per cent. per annum plus (ii) the Class A Margin.
- (c) The Class A Rate of Interest applicable to the Class A Notes for each Issuer Debt Interest Period commencing on or after the Expected Maturity Date will be equal to (i) three-month LIBOR (or, in the case of the Issuer Debt Interest Period commencing on the Expected Maturity Date, the linear interpolation of one-month and two-month LIBOR deposits) plus (ii) the Class A Margin.
- (d) For the purposes of these Conditions, **Class A Margin** means, with respect to the Class A Notes, 1.45 per cent. per annum.
- (e) The Agent Bank will at, or as soon as practicable after, 11.00 a.m. (London time) on:
 - (i) the Quotation Day relating to the Mall Loan Interest Period that commences immediately prior to the commencement of each Issuer Debt Interest Period (other than the Issuer Debt Interest Periods referred to in (ii) and (iii) below) for which the rate will apply; or
 - (ii) in the case of the first Issuer Debt Interest Period, the Closing Date; or
 - (iii) in the case of the Issuer Debt Interest Period commencing on the Expected Maturity Date, the Expected Maturity Date

(each, an **Interest Determination Date**), determine the Class A Rate of Interest applicable to the Issuer Debt Interest Period:

- (iv) in respect of (i) above, commencing immediately after such Interest Determination Date; and
 - (v) in respect of (ii) and (iii) above, within which such Interest Determination Date falls.
- (f) The Agent Bank will calculate the amount of interest payable on each of the Class A Notes for the then current Issuer Debt Interest Period on each Revenue Determination Date within each such Issuer Debt Interest Period in the manner specified in Condition 5.4 (Determination of Rates of Interest and calculation of Interest Amounts for the Class A Notes).
- (g) On each Interest Determination Date for each Issuer Debt Interest Period commencing on or after the Expected Maturity Date (subject to Condition 5.3(h)), the Mall Loan Facility Agent will notify the Agent Bank of the Mall Loan LIBOR determined under the Mall Facility Agreement on the Quotation Day for the Mall Loan Interest Period beginning immediately prior to the commencement of such Issuer Debt Interest Period. The LIBOR component of the Class A Rate of Interest for an Issuer Debt Interest Period will be equal to the Mall Loan LIBOR as notified to the Agent Bank by the Mall Loan Facility Agent on the relevant Interest Determination Date.
- (h) For the purposes of determining the Class A Rate of Interest in respect of the Class A Notes:
- (i) for the first Issuer Debt Interest Period commencing on the Expected Maturity Date; or
 - (ii) if the Mall Loan Facility Agent, for whatever reason (including without limitation, if as a result of the Mall Loan being repaid in full under the Mall Facility Agreement) fails to notify the Agent Bank of the Mall Loan LIBOR calculated in accordance with the Mall Facility Agreement by 5.00 p.m. on the Business Day following an Interest Determination Date (in which case LIBOR will be determined by the Agent Bank on the second Business Day following the relevant Interest Determination Date in accordance with the below provisions but as though it was being determined on the relevant Interest Determination Date),

LIBOR will be determined by the Agent Bank on the basis of the following provisions:

- (iii) on each Interest Determination Date, the Agent Bank will determine at, or as soon as practicable after, 11.00 a.m. (London time) on such date the interest rate for three-month sterling deposits in the London inter-bank market which appears on the Reuters screen page LIBOR01 or LIBOR02 (the **LIBOR Screen Rate**) (or, in respect of the first such Issuer Debt Interest Period commencing on or after the Expected Maturity Date, the arithmetic mean of a linear interpolation of the rates for one-month and two-month sterling deposits) (or (i) such other page as may replace the Reuters screen page LIBOR01 or LIBOR02 for the purpose of displaying such information or (ii)

if that service ceases to display such information, such page as displays such information on such equivalent service); or

- (iv) if the LIBOR Screen Rate is not then available, the arithmetic mean (rounded to four decimal places, 0.00005 rounded upwards) of the rates notified to the Agent Bank at its request by each of three Reference Banks duly appointed for such purpose as the rate at which three-month deposits in sterling are offered for the same period as that Issuer Debt Interest Period by those Reference Banks to prime banks in the London inter-bank market at or about 11.00 a.m. (London time) on that date (or, in respect of the first Issuer Debt Interest Period commencing after the Expected Maturity Date, the arithmetic mean of a linear interpolation of the rates for one-month and two-month sterling deposits notified by the Reference Banks). If, on any such Interest Determination Date, at least two of the Reference Banks provide such offered quotations to the Agent Bank the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Determination Date, only one or none of the Reference Banks provides the Agent Bank with such an offered quotation, the Agent Bank shall forthwith consult with the Issuer for the purposes of agreeing one or, as the case may be, two additional bank(s) to provide such a quotation or quotations to the Agent Bank and the rate for the Issuer Debt Interest Period in question shall be determined, as aforesaid, on the basis of the offered quotations of such Reference Bank and/or banks as so agreed. If no such bank or banks is or are so agreed or such bank or banks as so agreed does not or do not provide such a quotation or quotations, then the rate for the relevant Issuer Debt Interest Period shall be the arithmetic mean (rounded to two decimal places, 0.005 being rounded upwards) of the rates quoted by major banks in the London inter-bank market, selected by the Agent Bank, at approximately 11.00 a.m. (London time) on the relevant Interest Determination Date, as the case may be, for loans in sterling to leading Eurozone banks for a period of three months or, in the case of the first Issuer Debt Interest Period commencing after the Expected Maturity Date, the same as the relevant Issuer Debt Interest Period. If the Class A Rate of Interest cannot be determined in accordance with the above provisions, the Class A Rate of Interest shall be determined as at the last preceding Interest Determination Date.

5.4 Determination of Rates of Interest and calculation of Interest Amounts for the Class A Notes

- (a) The Agent Bank shall at, or as soon as practicable after, each Interest Determination Date, but in no event later than the third day of the relevant Issuer Debt Interest Period, notify the Issuer, the Note Trustee, the Issuer Cash Manager, the Paying Agents and each of the Clearing Systems in writing of the Rates of Interest applicable for the Issuer Debt Interest Period:
 - (i) within which such Interest Determination Date falls; or
 - (ii) commencing immediately after such Interest Determination Date,as applicable pursuant to Condition 5.3(e), in respect of the Class A Notes.
- (b) On each Revenue Determination Date, the Agent Bank shall notify the Issuer, the Registrar, the Note Trustee, the Issuer Cash Manager, the Paying Agents and each of

the Clearing Systems in writing of the amount of interest (the **Interest Amount**) payable, subject to Condition 5.2 (Interest Payment Dates and Issuer Debt Interest Periods) and Condition 5.3 (Rate of Interest), in respect of such Issuer Debt Interest Period in respect of the Class A Notes.

- (c) Each Interest Amount in respect of the Class A Notes shall be calculated by applying the relevant Class A Rate of Interest to the Principal Amount Outstanding (after deducting any principal payment to be made on the Class A Notes prior to, or on, the immediately following Interest Payment Date) as at the relevant Revenue Determination Date and multiplying such sum by the actual number of days in the relevant Issuer Debt Interest Period divided by 365, and rounding the resultant figure downward to the nearest penny.

5.5 Publication of Interest Amounts and other notices

- (a) As soon as practicable after calculating, determining or receiving notification thereof (as applicable), the Agent Bank will cause the Class A Rate of Interest and the Interest Amount applicable to the Class A Notes for each Issuer Debt Interest Period and the Interest Payment Date in respect thereof to be notified in writing to the Irish Stock Exchange plc (the **Irish Stock Exchange**) (for so long as the Class A Notes are listed on the Irish Stock Exchange) and will cause notice thereof to be given to the Class A Noteholders in accordance with Condition 17 (Notice to Class A Noteholders).
- (b) The Interest Amounts, Interest Payment Dates and other determinations 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 Issuer Debt Interest Period for the Class A Notes.

5.6 Determination and/or calculation by the Note Trustee

If the Agent Bank does not at any time for any reason determine the Class A Rate of Interest and/or calculate the Interest Amount for the Class A Notes and/or make any other necessary calculations in accordance with this Condition, the Note Trustee shall (or shall appoint an agent at the cost of the Issuer, on its behalf to do so):

- (a) determine the Class A 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/or (as the case may be); and/or
- (b) calculate the Interest Amount for the Class A Notes in the manner specified in Condition 5.4 (Determination of Rates of Interest and calculation of Interest Amounts for the Class A Notes) and/or (as the case may be),

and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.

5.7 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) or the Agent Bank or the Note Trustee shall (in the absence of material default, material breach, fraud, negligence or manifest error) be binding on the Issuer, the Reference Banks, the Agent Bank, the Note Trustee, the Servicer, the Special

Servicer, the Issuer Cash Manager, the Paying Agents and all the Class A Noteholders and (in the absence of material default, material breach, fraud, negligence or manifest error) no liability to the Class A Noteholders shall attach to the Issuer, the Reference Banks, the Agent Bank or the Note Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

5.8 Reference Banks and Agent Bank

(a) Agent Bank

- (i) The Issuer shall procure that, so long as any of the Class A Notes remain outstanding, there shall, at all times, be an Agent Bank and the Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank.
- (ii) In the event of the principal London office of the Agent Bank being unable or unwilling to continue to act as an Agent Bank or failing duly to determine the Rates of Interest and the Interest Amounts for any Issuer Debt Interest Period, the Issuer shall, subject to the prior written approval of the Note Trustee, appoint the London office of another major bank engaged in the London interbank market to act in its place.
- (iii) Any purported resignation or removal by the Agent Bank shall not take effect until a successor so approved in writing by the Note Trustee has been appointed.

(b) Reference Banks

The Issuer shall ensure that, so long as any of the Class A Notes remains outstanding, there shall, at all times, be three Reference Banks. Provided that, once a Reference Bank has been selected by the Issuer, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such. Any replacement reference bank selected by the Issuer must have been previously approved in writing by the Note Trustee to act as such.

5.9 Class A Additional Interest

- (a) If the Issuer receives Mall Loan Default Interest under the Mall Facility Agreement during an Issuer Debt Interest Period, such Mall Loan Default Interest will form part of Revenue Receipts for that Issuer Debt Interest Period on the Interest Payment Date immediately following receipt of the Mall Loan Default Interest by the Issuer.
- (b) The Class A Noteholders will be allocated the Relevant Percentage of any Mall Loan Default Interest received by the Issuer, to be paid to the Class A Noteholders on the Interest Payment Date immediately following the Revenue Determination Date within the Issuer Debt Interest Period within which such Mall Loan Default Interest was received by the Issuer (the **Class A Additional Interest**) in accordance with the relevant Issuer Priority of Payments.
- (c) To the extent that, on any Interest Payment Date, there are insufficient available funds to pay the full amount of Class A Additional Interest due on the Class A Notes but for this paragraph, then the amount of the Class A Additional Interest shortfall (**Deferred Class A Additional Interest**) will not fall due on that Interest Payment Date. Instead, the Issuer shall, in respect of the Class A Notes, create a provision in its

accounts for the related Deferred Class A Additional Interest on the relevant Interest Payment Date.

- (d) Such Deferred Class A Additional Interest shall not accrue interest. The Deferred Class A Additional Interest will be payable on the earlier of:
 - (i) any succeeding Interest Payment Date, but only if and to the extent that, on such Interest Payment Date, there are sufficient available funds to pay the same, after deducting amounts ranking in priority to payment of the Deferred Class A Additional Interest in accordance with the Pre-Acceleration Revenue Priority of Payments or, as applicable, the Post-Acceleration Priority of Payments; and
 - (ii) the date on which the Class A Notes are redeemed in full.

5.10 Non-payment of Class A Additional Interest

For the avoidance of doubt, there shall be no Class A Note Event of Default caused by reason only of the non-payment when due of the Class A Additional Interest.

6. PAYMENTS

6.1 Global Note

- (a) Payment of principal, interest and other amounts will be made by transfer to the registered account of the Class A Noteholder. Subject to Condition 2 (Definitive Notes), interest, principal or other amounts due on the Class A Notes on an Interest Payment Date or a Principal Prepayment Date will be paid to the holder (or the first named if joint holders) shown on the Register at the close of business on the date (the **Record Date**), being, in the case of Global Note, the Business Day, and, in the case of Definitive Notes, the fifteenth Business Day, before the due date for such payment.
- (b) For the purposes of this Condition, a Class A Noteholder's registered account means the sterling account maintained by or on behalf of it with a bank that processes payments in sterling, details of which appear on the register of Class A Noteholders at the close of business:
 - (i) in the case of principal and interest due otherwise than on an Interest Payment Date, on the second Business Day (as defined below) before the due date for payment; and
 - (ii) in the case of interest due on an Interest Payment Date, on the relevant Record Date,

and a Class A Noteholder's registered address means its address appearing on the register of Class A Noteholders at that time.

6.2 Definitive Notes

Payments of principal and interest (except where, after such payment, the unpaid principal amount of the relevant Class A Note would be reduced to zero (including as a result of any other payment of principal due in respect of such Class A Note), in which case the relevant payment of principal or interest, as the case may be, will be made against surrender of such Class A Note) in respect of Definitive Notes, will be made on the relevant Interest Payment

Date or Principal Prepayment Date to the holder of a Definitive Note as at the Record Date for payment in respect of such Definitive Note or by transfer to a sterling denominated account nominated in writing by the payee to the Registrar not later than the due date for such payment. Any such application for transfer to such account shall be deemed to relate to all future payments in respect of such Definitive Note until such time as the Registrar is notified in writing to the contrary by the holder thereof. If any payment due in respect of any Definitive Note is not paid in full, the Registrar will annotate the Register with a record of the amount, if any, so paid.

6.3 Method of Payment

Payments will be made by credit or transfer to an account in sterling maintained by the payee with a bank in London.

6.4 Payments subject to applicable laws

Payments of any amount in respect of a Class A Note, including principal and interest in respect of the Class A Notes, are subject, in all cases, to (a) any fiscal or other laws and regulations applicable in the place of payment and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

6.5 Presentation on non-Business Days

If the date for payment of any amount in respect of a Class A Note is not a Business Day, payment shall be made on the next succeeding day that is a Business Day (unless such Business Day falls in the next succeeding calendar month in which event the immediately preceding Business Day) and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Class A Note. For the purposes of Condition 7 (Redemption) and this Condition 6, **Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York and Jersey.

6.6 Accrual of interest on late payments

If any payment of interest (other than Class A Additional Interest), principal or any other amount in respect of the Class A Notes is not made when due and payable (other than because the due date is not a Business Day (as defined in Condition 6.5 (Presentation on non-Business Days)) or by reason of non-compliance with Condition 6.1 (Global Note) or Condition 2 (Definitive Notes)), then such unpaid amount shall itself bear interest at the applicable Class A Rate of Interest to (but excluding) the date on which payment in full of the relevant unpaid amount (together with interest accrued thereon) is made and notice thereof has been duly given to the Class A Noteholders in accordance with Condition 17 (Notice to Class A Noteholders), provided that such unpaid amount and interest thereon are, in fact, paid.

6.7 Incorrect payments

- (a) The Issuer Cash Manager will (on behalf of the Issuer), from time to time, notify the Class A Noteholders in accordance with the terms of Condition 17 (Notice to Class A Noteholders), respectively, of any over-payment or under-payment (of which: (a) it has actual notice of; or (b) the Issuer has informed it of) made on any Interest Payment Date, Principal Prepayment Date or any other day to any party pursuant to

the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Allocation Rules or, as applicable, the Post-Acceleration Priority of Payments.

- (b) Following the giving of such a notice to the Class A Noteholders, the Issuer Cash Manager shall rectify such over-payment or under-payment by increasing or, as the case may be, decreasing payments to the relevant parties on any subsequent Interest Payment Date, Principal Prepayment Date or other date on which any form of payment is due to the Class A Noteholders. Any notice of over-payment or under-payment provided to the Class A Noteholders pursuant to this Condition, respectively, shall contain reasonable details of the amount of the same, the relevant parties and the adjustments to be made to future payments to rectify the same. Neither the Issuer nor the Issuer Cash Manager shall have any liability to any person for making any such rectification pursuant to this paragraph (b).

6.8 Initial Principal Paying Agent, Agent Bank and Registrar

- (a) The initial Principal Paying Agent is Elavon Financial Services Limited acting through its U.K. Branch at its offices at 125 Old Broad Street, London EC2N 1AR, United Kingdom. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of any Paying Agent, the Registrar and the Agent Bank and to appoint additional or other agents provided that:
 - (i) there will at all times be a person appointed to perform the obligations of the Principal Paying Agent; and
 - (ii) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange and competent authority.
- (b) The Issuer undertakes that it will ensure that it maintains a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.
- (c) The Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Class A Noteholders in accordance with Condition 17 (Notice to Class A Noteholders).

7. REDEMPTION

7.1 Final redemption of the Class A Notes

- (a) Unless previously redeemed in full and cancelled as provided in this Condition 7, the Issuer will redeem the Class A Notes at their respective Principal Amounts Outstanding together with any accrued but unpaid interest and any other accrued but unpaid amounts on the Final Maturity Date.
- (b) The Issuer may not redeem the Class A Notes in whole or in part prior to the Final Maturity Date except as provided in this Condition but without prejudice to Condition 10 (Class A Note Events of Default).

7.2 Mandatory redemption from Principal Receipts

- (a) Prior to the service of an Issuer Debt Acceleration Notice, and unless previously redeemed in full and cancelled as provided in this Condition 7, the Class A Notes are subject to mandatory early redemption in part (or in full) on each Principal Prepayment Date in an amount equal to the Class A Principal Redemption Amount in respect of such Principal Prepayment Date.
- (b) On each Principal Prepayment Date, the Issuer will redeem the Class A Notes in an amount equal to the Class A Principal Redemption Amount. Each such payment will be made together with any Class A Fixed Rate Break Costs, Class A Note Prepayment Fee and Class A Prepayment Accrued Interest relating to that Class A Principal Redemption Amount.
- (c) **Principal Receipts** means:
 - (i) all amounts of principal received by or on behalf of the Issuer in respect of any repayment or prepayment of the Securitised Loan whether as a result of a voluntary or mandatory repayment or prepayment, including amounts allocated to the same in respect of any distributions made on any enforcement of the Mall Loan and the Mall Loan Security (including, without limitation, any amount recovered by or on behalf of the Issuer through any claim of whatsoever nature as determined to represent a loss of principal), other than (in all cases) Mall Loan Prepayment Fees, Mall Loan Fixed Rate Break Costs, Mall Loan Prepayment Accrued Interest, Mall Loan Tax Credits and Deemed Revenue Receipts; and
 - (ii) amounts determined to represent principal or items of a similar nature and received by or on behalf of the Issuer in respect of any sale of the Securitised Loan as an alternative to directing enforcement of the Mall Loan Security.
- (d) The:
 - (i) **Class A Principal Redemption Amount** shall be (if there are then Class A Notes outstanding; otherwise it shall be zero) the amount payable to the Class A Noteholders in accordance with the Pre-Sequential Payment Trigger Principal Priority of Payments or the Post-Sequential Payment Trigger Principal Priority of Payments, as applicable; and
 - (ii) The **Class B Principal Redemption Amount** shall be the amount payable to the Class B Lender in accordance with the Pre-Sequential Payment Trigger Principal Priority of Payments or the Post-Sequential Payment Trigger Principal Priority of Payments, as applicable,together, the **Principal Redemption Amounts**.
- (e) Prior to the service of an Issuer Debt Acceleration Notice, if the Class A Notes are subject to mandatory early redemption in part or in full due to the receipt by the Issuer of a prepayment or a repayment under the Securitised Loan, the Class A Noteholders will be entitled to receive:
 - (i) the Class A Fixed Rate Break Costs (if any);
 - (ii) the Class A Note Prepayment Fee (if any)

and the Class A Prepayment Accrued Interest (if any) allocated to the Class A Noteholders on the relevant Principal Prepayment Date.

- (f) The Issuer Debt Fixed Rate Break Costs and the Class A Note Prepayment Fees are each only payable in certain circumstances where the corresponding Mall Loan Fixed Rate Break Costs and Mall Loan Prepayment Fees are payable under the Securitised Loan.
- (g) **Class A Fixed Rate Break Costs** means x in respect of the Class A Notes, where:

$$x = A \times \left(\frac{B}{C} \right)$$

A is the Mall Loan Fixed Rate Break Costs received by or on behalf of the Issuer in respect of a particular repayment or prepayment under the Mall Facility Agreement (the **Prepayment**).

B is the Principal Redemption Amount for the Class A Notes relating to the Prepayment.

C is the total Principal Redemption Amount on the Class A Notes and the Class B Loan in connection with the Prepayment.

In the event that the aggregate Issuer Debt Fixed Rate Break Costs, as calculated, would exceed the relevant Mall Loan Fixed Rate Break Costs received, the shortfall shall first be applied so as to reduce the Class B Fixed Rate Break Costs otherwise payable in respect of the Class B Loan and then, to the extent any amount of such shortfall remains outstanding, shall be applied so as to reduce the amount of Class A Fixed Rate Break Costs otherwise payable in respect of the Class A Notes.

- (h) **Class A Note Prepayment Fee** means, if the Issuer receives a repayment or prepayment under the Mall Facility Agreement (the **Prepayment**) and receives the full amount of any Mall Loan Prepayment Fee corresponding to such Prepayment (if any):
- (A) on or before the first anniversary of the date of the Mall Facility Agreement, 1.5 per cent. of the Class A Principal Redemption Amount relating to the Prepayment;
- (B) after the first anniversary of the date of the Mall Facility Agreement but on or before the second anniversary of the date of the Mall Facility Agreement, 1.0 per cent. of the Class A Principal Redemption Amount relating to the Prepayment;
- (C) after the second anniversary of the date of the Mall Facility Agreement but on or before the end of the 30th month after the date of the Mall Facility Agreement, 0.5 per cent. of the Class A Principal Redemption Amount relating to the Prepayment; or
- (D) after the end of the 30th month after the date of the Mall Facility Agreement, 0 per cent. of the Class A Principal Redemption Amount relating to the Prepayment,

subject to the specific circumstances in which no Mall Loan Prepayment Fee is payable as set out in the Master Definitions Schedule in more detail.

Any Mall Loan Prepayment Fee received by the Issuer in respect of a particular prepayment under the Mall Facility Agreement that is not used in payment of a Class A Note Prepayment Fee (in respect of Class A Principal Redemption Amounts corresponding to such prepayment) (the **Surplus Mall Loan Prepayment Fee**) will be treated as Revenue Receipts to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments.

- (i) The Class A Notes and the Class B Loan will also be entitled to receive accrued interest on the Class A Principal Redemption Amount or the Class B Principal Redemption Amount, as applicable, (being the Class A Prepayment Accrued Interest and the Class B Prepayment Accrued Interest, respectively) on each relevant Principal Prepayment Date. Any Mall Loan Prepayment Accrued Interest received by the Issuer in respect of a certain prepayment under the Mall Facility Agreement that is not used in payment of Issuer Debt Prepayment Accrued Interest (in respect of Principal Redemption Amounts corresponding to such prepayment) (the **Surplus Mall Loan Prepayment Accrued Interest**) will be treated as Revenue Receipts to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments. In the event that the aggregate Issuer Debt Prepayment Accrued Interest payable on the Class A Notes and the Class B Loan, as calculated, would exceed the relevant Mall Loan Prepayment Accrued Interest received, the shortfall shall first be applied so as to reduce the Class B Prepayment Accrued Interest otherwise payable in respect of the Class B Loan and then, to the extent any amount of such shortfall remains outstanding, shall be applied so as to reduce the amount of Class A Prepayment Accrued Interest otherwise payable in respect of the Class A Notes.
- (j) On each Principal Determination Date, the Mall Loan Fixed Rate Break Costs, (only in respect of the Class A Noteholders) the Mall Loan Prepayment Fees and the Mall Loan Prepayment Accrued Interest received by or on behalf of the Issuer under the Mall Facility Agreement will be allocated to the Class A Notes and the Class B Loan, as applicable, that is subject to prepayment on the following Principal Prepayment Date in an amount equal to the Issuer Debt Fixed Rate Break Costs, the Class A Note Prepayment Fee and the Issuer Debt Prepayment Accrued Interest, as applicable, each calculated for the Class A Notes and/or the Class B Loan, as applicable, by reference to each such Principal Prepayment Date.
- (k) No Issuer Debt Fixed Rate Break Costs or Class A Note Prepayment Fees, as applicable, will be payable in any circumstance where there is no Mall Loan Fixed Rate Break Cost or Mall Loan Prepayment Fee, respectively, payable pursuant to the terms of the Finance Documents.
- (l) The aggregate Issuer Debt Fixed Rate Break Costs payable on the Class A Notes and the Class B Loan on any date can never be greater than the aggregate of the Mall Loan Fixed Rate Break Cost received by the Issuer under the Mall Facility Agreement for the corresponding prepayment under the Mall Facility Agreement.
- (m) The aggregate Class A Note Prepayment Fee payable on the Class A Notes on any date will never be greater than the aggregate of the Mall Loan Prepayment Fee received by the Issuer under the Mall Facility Agreement for the corresponding prepayment under the Mall Facility Agreement.

- (n) No Issuer Debt Fixed Rate Break Costs and/or Class A Note Prepayment Fee will be payable to the Class A Noteholders following the service of an Issuer Debt Acceleration Notice. Instead, any Mall Loan Fixed Rate Break Costs and/or Mall Loan Prepayment Fees will be applied in accordance with the Post-Acceleration Priority of Payments.

7.3 Optional redemption for tax and other reasons

If the Issuer at any time satisfies the Note Trustee (or only following redemption in full of the Class A Notes, the Class B Lender) (either of which will be so satisfied if it receives a legal opinion addressed to it confirming such matters (or in relation to (c) below, a certificate from the Issuer to that effect), upon which it may rely conclusively and without liability) immediately prior to giving the notice referred to below that either:

- (a) by virtue of a change in the tax law of 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 or Principal Prepayment 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 the Class A Notes or the Class B Loan (other than where the relevant holder, beneficial owner or lender has some connection with the relevant jurisdiction other than the holding of Class A Notes or advancing of the Class B Loan), 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 subdivision 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 reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, it has become or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any advances (whether made or to be made) under the Mall Facility Agreement or all or any of the Class A Notes or the Class B Loan; or
- (c) if any amount payable by the Borrower in respect of the Mall Loan is reduced or ceases to be receivable (whether or not actually received) by the Issuer during the Issuer Debt Interest Period preceding the next Interest Payment Date,

and, in any such case, the Issuer has, prior to giving the notice referred to below, certified to the Note Trustee (or following redemption in full of the Class A Notes, the Class B Lender) (upon which certification the Note Trustee or the Class B Lender may rely conclusively and without liability) that it will have the necessary funds on such Interest Payment Date or Principal Prepayment Date to discharge all of its liabilities in respect of the Instruments to be redeemed or repaid under this Condition 7.3 and any amount required to be paid in priority to, or *pari passu* with, the Instruments to be so redeemed or repaid (and for the avoidance of doubt, the order of priority shall be as set out in the relevant Issuer Priorities of Payments), which certificate shall be conclusive and binding, and provided that on the Interest Payment Date or Principal Prepayment Date on which such notice expires, no Issuer Debt Acceleration Notice has been served, then the Issuer may, but shall not be obliged to, on any Interest Payment Date or Principal Prepayment Date on which the relevant event described above is continuing, having given not more than 60 nor fewer than 30 days' written notice ending on such Interest Payment Date or Principal Prepayment Date to the Note Trustee, the Class B Lender, the Paying Agents and to the Class A Noteholders in accordance with Condition 17 (Notice to Class A Noteholders), redeem all (but not some only) of the Class A Notes and

repay (in full) the Class B Loan in an amount equal to the then respective aggregate Principal Amounts Outstanding (or in respect of the Class B Loan, Outstanding Principal Balance) plus interest and other amounts accrued and unpaid thereon.

7.4 Notice of redemption

Any such notice as is referred to in Condition 7.3 (Optional redemption for tax and other reasons) shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the Class A Notes and the Class B Loan in the amounts specified in these Conditions or the Class B Loan Agreement. As soon as reasonably practicable after becoming aware that the same will occur, the Issuer will cause notice of:

- (a) redemption of the Class A Notes to be given to the Irish Stock Exchange (for so long as the Class A Notes are listed on the Irish Stock Exchange); and
- (b) repayment in full of the Class B Loan to be given to the Class B Lender.

Any certificate or legal opinion given by or on behalf of the Issuer pursuant to Condition 7.3 (Optional redemption for tax and other reasons) may be relied on by the Note Trustee or the Class B Lender, as applicable, without further investigation and shall be conclusive and binding on the Class A Noteholders.

7.5 Principal Amount Outstanding and Note Factor

- (a) On each Principal Determination Date, the Issuer Cash Manager shall determine the Principal Amount Outstanding of the Class A Notes on the next following Principal Prepayment Date, as applicable, (after deducting any principal payment or prepayment to be made on such Class A Note prior to, or on, that Principal Prepayment Date, as applicable).
- (b) On each Principal Determination Date, the Issuer Cash Manager shall determine the fraction (the **Note Factor**), the numerator of which is equal to the Principal Amount Outstanding of the Class A Notes immediately following the immediately following Principal Prepayment Date and the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes on the Closing Date.
- (c) Each determination by the Issuer Cash Manager of the Principal Amount Outstanding of the Class A Notes and the Note Factor shall in each case (in the absence of material default, material breach, fraud, negligence or manifest error) be final and binding on all persons.
- (d) The **Principal Amount Outstanding** of a Class A Note on any date will be its face amount less the aggregate amount of principal repayments or prepayments made in respect of that Class A Note since the Closing Date.
- (e) The Issuer (or the Issuer Cash Manager on its behalf) will cause each determination of the Principal Amount Outstanding and the Note Factor to be notified in writing forthwith to the Note Trustee, the Paying Agents (with the Principal Paying Agent to provide a copy of such notification (for so long as the Class A Notes are listed on the Irish Stock Exchange) to the Irish Stock Exchange), the Agent Bank, the Account Bank, the Servicer and the Special Servicer and will cause notice of each determination of a Principal Amount Outstanding and the Note Factor to be given to the Class A Noteholders in accordance with Condition 17 (Notice to Class A Noteholders) as soon as reasonably practicable thereafter.

- (f) If the Issuer Cash Manager does not at any time for any reason determine the Principal Amount Outstanding or the Note Factor in accordance with the preceding provisions of this Condition 7.5, such Principal Amount Outstanding and the Note Factor may be determined by the Note Trustee (or by an agent appointed by the Note Trustee at the cost of the Issuer), in accordance with this Condition 7.5, and each such determination or calculation shall be conclusive and shall be deemed to have been made by the Issuer Cash Manager, and the Note Trustee shall have no liability to any person in respect thereof.

7.6 Cancellation

All Class A Notes redeemed in full or in part pursuant to the foregoing will be cancelled forthwith and may not be resold or re-issued.

7.7 Redemption Amount

Any Class A Note redeemed in full pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Class A Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Class A Notes and any other amounts accrued and unpaid up to (but excluding) the date of redemption.

7.8 No purchase by Issuer

The Issuer will not purchase any of the Class A Notes.

8. TAXATION

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

9. PRESCRIPTION

- (a) Claims in respect of principal and interest on the Class A Notes will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the relevant date in respect of the relevant payment.
- (b) In this Condition, the **relevant date**, in respect of a payment, means the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the relevant Paying Agent or the Note Trustee on or prior to such date) the date on which the full amount of such monies has been so received, and notice to that effect is duly given to the relevant Class A Noteholders in accordance with Condition 17 (Notice to Class A Noteholders).

10. CLASS A NOTE EVENTS OF DEFAULT

10.1 Class A Note Events of Default

The Note Trustee at its absolute discretion may, and if so:

- (A) directed by or pursuant to an Extraordinary Resolution of the holders of the Class A Notes then outstanding; or
- (B) requested in writing by the holders of Class A Notes outstanding constituting not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class A Notes then outstanding,

shall (in all cases subject to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction) give notice (an **Issuer Debt Acceleration Notice**) to the Issuer and the Issuer Security Trustee (with the Issuer Security Trustee to give a copy to the Class B Lender) declaring all Instruments to be immediately due and repayable at their respective Principal Amount Outstanding or Outstanding Principal Balance, as applicable, together with accrued interest (including, where applicable, Deferred Class A Additional Interests and Deferred Class B Loan Interest and other accrued and unpaid amounts) as provided in the Note Trust Deed and the Class B Loan Agreement, if any of the following events (each a **Class A Note Event of Default**) occurs:

- (a) subject to Condition 5.10 (Non-payment of Class A Additional Interest), default is made for a period of five days in the payment of principal, interest or any other amount on the Class A Notes, in each case when and as the same becomes due and payable in accordance with these Conditions; or
- (b)
 - (i) the Issuer defaults in the performance or observance of any other obligation binding upon it under the Class A Notes, the Note Trust Deed, the Issuer Deed of Charge or the other Issuer Transaction Documents to which it is a party; or
 - (ii) any representation or warranty made by the Issuer under any Issuer Transaction Document is incorrect when made,

and, in any such case (except where the Note Trustee certifies that, in its opinion, such default or matters giving rise to such misrepresentation, as applicable, are incapable of remedy when no notice will be required), such default or matters giving rise to such misrepresentation, as applicable, continue(s) for a period of 14 days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (d), ceases or, consequent upon a resolution of the board of directors of the Issuer, stops or threatens to cease to carry on business or a substantial part of its business (save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Class A Noteholders) or the Issuer is or is deemed unable to pay its debts as and when they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or it is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or

- (d) an order is made by any competent court or an effective resolution is passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Class A Noteholders; or
- (e) proceedings have been initiated against the Issuer under any applicable liquidation, insolvency, composition, receivership, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice to appoint an administrator) and such proceedings are not being disputed in good faith with a reasonable prospect of success, or an administration order is granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, manager, liquidator or other similar official shall be appointed (or formal notice is given of an intention of appoint an administrator) in relation to the Issuer or any part of its undertaking, property or assets, or an encumbrancer shall take possession of all or any part of the undertaking, property or assets of the Issuer, or an execution, diligence, attachment or sequestration or other process is levied or enforced upon, sued out or put in force against all or any part of the undertaking, property or assets of the Issuer and such appointment, possession or process is not discharged or does not otherwise cease to apply within 15 days; or
- (f) the Issuer (or the shareholders or directors of the Issuer) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, receivership, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of or a composition or similar arrangement with its creditors generally or takes steps with a view to obtaining a moratorium in respect of any of the indebtedness of the Issuer or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

provided that in the case of each of the events described in Condition 10.1(b), the Note Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Class A Noteholders and notice of such certification shall have been given to the Class A Noteholders in accordance with Condition 17 (Notice to Class A Noteholders).

A Class B Loan Event of Default will be of no effect while there are any Class A Note outstanding.

10.2 Effect of Issuer Debt Acceleration Notice

Upon the service of an Issuer Debt Acceleration Notice in accordance with Condition 10.1 (Class A Note Events of Default) all the Instruments then outstanding shall thereby immediately become due and repayable at their respective Principal Amounts Outstanding or Outstanding Principal Balance, as applicable, together with accrued interest and other accrued but unpaid amounts as provided in the Note Trust Deed, the Issuer Deed of Charge and the Class B Loan Agreement and as described in Condition 11 (Enforcement).

10.3 Note EoD Plan

- (a) Within five Business Days of becoming aware of the occurrence of a Class A Note Event of Default, the Issuer will be required to publish a notice to the Class A Noteholders (in accordance with Condition 17 (Notice to Class A Noteholders)) and the Class B Lender (in accordance with the Class B Loan Agreement) giving notice of

the Class A Note Event of Default and convening a meeting to be held within five Business Days of the date of such notice in order to commence consultation with the Special Servicer, the Class A Noteholders and the Class B Lender (the non-attendance of which will not affect the validity of such meeting) in relation to the preparation of a selection of proposals with a view to the maximisation of recoveries on the Securitised Loan as soon as reasonably practicable (the **Note EoD Plan**).

- (b) The Special Servicer will consult with the Class A Noteholders and the Class B Lender with respect to the proposals to be included in the Note EoD Plan and, as soon as reasonably practicable following such consultation but not later than the date occurring 45 days after the Class A Note Event of Default provide a copy of the Note EoD Plan to the Issuer (which will provide a copy of the same to the Class A Noteholders and the Class B Lender), the Note Trustee and the Issuer Security Trustee. The Issuer will convene a meeting of the Class A Noteholders to be held as soon as reasonably practicable following receipt of the Note EoD Plan from the Special Servicer after the Class A Note Event of Default, at which the Class A Noteholders will be requested to select, by approving by way of Ordinary Resolution, their preferred option from among the proposals set forth in the Note EoD Plan.
- (c) At least one proposal included in the Note EoD Plan by the Special Servicer must be that the Special Servicer will take steps to realise the security for the Class A Notes and/or the Securitised Loan as soon as reasonably practicable and/or that the Issuer Security Trustee shall, at the cost of the Issuer, engage an independent financial advisor or a receiver to advise the Issuer Security Trustee on and/or to effect a realisation of the assets of the Issuer for the purposes of redeeming the Class A Notes. The proposal that receives the approval of the holders of the Class A Notes by way of Ordinary Resolution will be implemented (without requiring the consent of the Class B Lender). If no proposal receives the approval of the Class A Noteholders by way of Ordinary Resolution, then the Issuer Security Trustee will be deemed to be directed by all the Class A Noteholders and the Class B Lender to appoint a receiver in order to realise the secured assets of the Issuer at such time as the Issuer Security becomes enforceable pursuant to the Issuer Deed of Charge, subject to being indemnified and/or secured and/or pre-funded to its satisfaction.

11. ENFORCEMENT

- (a) The Note Trustee may, at any time, at its discretion and without notice, take such action under or in connection with any of the Issuer Transaction Documents as it may think fit (including, without limitation, directing the Issuer Security Trustee to take any action under or in connection with any of the Issuer Transaction Documents or Finance Documents or, after the occurrence of a Class A Note Event of Default, to take steps to enforce the security constituted by the Issuer Deed of Charge), provided that:
 - (i) the Note Trustee shall not be bound to take any such action unless it shall have been so directed by (i) an Extraordinary Resolution or Ordinary Resolution (where permitted) of the holders of the Class A Notes then outstanding or (ii) a notice in writing signed by the holders of the Class A Notes outstanding constituting at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Class A Notes then outstanding;
 - (ii) (except where expressly provided otherwise) the Issuer Security Trustee shall not, and shall not be bound to, take any such action unless it shall have been so directed by (i) the Note Trustee or (ii) if there are no Class A Notes

outstanding, the Class B Lender or (iii) if there are no Instruments outstanding, all of the other Issuer Secured Creditors;

- (iii) neither the Note Trustee nor the Issuer Security Trustee shall be bound to take any such action under this Condition 11 unless it shall have been indemnified and/or secured and/or pre-funded to its satisfaction; and
 - (iv) the Note Trustee shall not be entitled to take any steps or proceedings to procure the winding-up, administration, dissolution, court protection, reorganisation, receivership, liquidation, bankruptcy or other insolvency proceeding of the Issuer.
- (b) Notwithstanding the foregoing, the Issuer Deed of Charge will provide that the Issuer Security Trustee shall enforce the security constituted by the Issuer Deed of Charge by appointing an administrative receiver in respect of the Issuer if it has actual notice of (i) an application for the appointment of an administrator in respect of the Issuer or (ii) the giving of a notice of intention to appoint an administrator in respect of the Issuer, such appointment of an administrative receiver to take effect not later than the final day by which the appointment must be made in order to prevent an administration proceeding.

12. LIMIT ON CLASS A NOTEHOLDER ACTION, LIMITED RECOURSE AND NON-PETITION

- (a) No Class A Noteholder shall be entitled to proceed directly against the Issuer or any other Issuer Secured Creditor or any other party to any of the Issuer Transaction Documents to seek to enforce the Issuer Security or to enforce the performance of any of the provisions of the Issuer Transaction Documents and/or to take proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, except if the Note Trustee or the Issuer Security Trustee, as the case may be, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing, provided that no Class A Noteholder shall be entitled to take any steps or proceedings to procure the winding up, administration, dissolution, court protection, reorganisation, receivership, liquidation, bankruptcy or other insolvency proceeding of the Issuer.
- (b) The Issuer Security Trustee will not be required to enforce the Issuer Security at the request of any Issuer Secured Creditor other than the Note Trustee (or if the Class A Notes have been redeemed in full, the Class B Lender). Notwithstanding any other provision of these Conditions, any Issuer Transaction Document or otherwise, the obligations of the Issuer to make any payment under the Class A Notes will be equal to the nominal amount of such payment or, if less, the actual amount received or recovered from time to time by or on behalf of the Issuer which consists of funds which are required to be applied by the Issuer in making such payment in accordance with the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Allocation Rules or the Post-Acceleration Priority of Payments, as applicable. The obligations of the Issuer under these Conditions and the Note Trust Deed in respect of the Class A Notes will be limited to such amounts from time to time and none of the Class A Noteholders, the Note Trustee, the Issuer Security Trustee or the other parties to the Issuer Transaction Documents will have any further recourse to the Issuer in respect of such obligations.
- (c) On enforcement or realisation of the Issuer Security and the distribution of its proceeds in accordance with the applicable Issuer Priorities of Payments, none of the

Class A Noteholders, the Note Trustee, the Issuer Security Trustee or the other Issuer Secured Creditors may take any further steps against the Issuer in respect of any amounts payable on the Instruments (including for the avoidance of doubt, payments of principal, interest and/or other amounts in respect of the Instruments) or the Issuer Transaction Documents or any other amounts and all claims against the Issuer in respect of those payments will be extinguished and discharged.

- (d) Subject to the Issuer Security Trustee's rights and powers under the Issuer Deed of Charge, none of the Note Trustee, the Issuer Security Trustee, the Class A Noteholders, or the other Issuer Secured Creditors will be entitled to petition or take any action or other steps or legal proceedings for the winding-up, dissolution, court protection, reorganisation, receivership, liquidation, bankruptcy or insolvency of the Issuer or for the appointment of an administrator, manager, receiver, receiver manager, administrative receiver, trustee, liquidator, sequestrator or similar officer in respect of the Issuer or any of its revenues or assets, provided that the Note Trustee or the Issuer Security Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and provided further that the Note Trustee or the Issuer Security Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under the Issuer Deed of Charge or the other Issuer Transaction Documents.
- (e) None of the Class A Noteholders or any of the other parties to the Issuer Transaction Documents will have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenants or agreements entered into or made by the Issuer pursuant to the terms of the Class A Notes, the Issuer Deed of Charge or any other Issuer Transaction Documents to which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.
- (f) Nothing in this Condition shall affect a payment under the Class A Notes from falling due for the purposes of Condition 10 (Class A Note Events of Default).

13. MEETINGS OF CLASS A NOTEHOLDERS, MODIFICATION AND WAIVER, SUBSTITUTION AND TERMINATION OF ISSUER RELATED PARTIES

13.1 Meeting of Class A Noteholders

- (a) The Note Trust Deed contains provisions for convening meetings (whether by way of physical meeting, written consent or physical consent), of the Class A Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution or Ordinary Resolution, as appropriate, of, among other things, the removal of the Note Trustee, the Issuer Security Trustee, the Servicer, the Special Servicer, the Issuer Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, the Registrar or the Corporate Services Provider and a modification of the Class A Notes or the Note Trust Deed (including these Conditions) or the provisions of any of the other Issuer Transaction Documents or the Finance Documents.
- (b) These provisions allow the Issuer, the Note Trustee, the Issuer Cash Manager, the Servicer or the Special Servicer to:
 - (i) convene (or to require the Issuer to convene) Class A Noteholder physical meetings (at the cost of the Issuer); or

- (ii) propose resolutions by way of written consent, electronic consent or (other than in certain circumstances set out in Condition 13.9 (Negative Consent)) negative consent for any purpose, including consideration of Extraordinary Resolutions or Ordinary Resolutions.
- (c) The Note Trustee shall be obliged to convene a meeting of the Class A Noteholders (for so long as any Class A Notes remain outstanding), if requested to do so in writing by the holders of Class A Notes outstanding constituting at least 10 per cent. of the Principal Amount Outstanding of the Class A Notes.
- (d) Notice of at least:
 - (i) 14 clear days of any physical meetings and seven clear days for any adjourned physical meeting; and
 - (ii) 10 clear days (in respect of a resolution relating to any matter other than a Finance Document Request) and seven Business Days (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) (in respect of a resolution relating to a Finance Document Request) in respect of a resolution to be considered by way of electronic consent or written consent,

will be given to the Class A Noteholders in accordance with Condition 17 (Notice to Class A Noteholders).
- (e) A resolution relating to a Finance Document Request cannot be considered at a physical meeting. Such a resolution must be considered by way of:
 - (i) negative consent pursuant to Condition 13.9 (Negative Consent) (subject to the restrictions on certain types of resolutions being considered by way of negative consent as set out in Clause 13.9 (Negative Consent)); or
 - (ii) written consent pursuant to Condition 13.5 (Written Resolutions and Electronic Resolutions); or
 - (iii) electronic consent pursuant to Condition 13.5 (Written Resolutions and Electronic Resolutions).

13.2 Quorum at Class A Noteholders' meeting

- (a) Subject as provided in Condition 13.3 (Basic Terms Modification), the quorum at any meeting of the Class A Noteholders for passing an Ordinary Resolution will be one or more persons present holding Class A Notes outstanding or holding voting certificates or being proxies representing Class A Notes outstanding constituting not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes then outstanding.
- (b) Subject as provided in Condition 13.3 (Basic Terms Modification), the quorum at any meeting of the Class A Noteholders for passing an Extraordinary Resolution will be one or more persons present holding Class A Notes outstanding or holding voting certificates or being proxies representing Class A Notes outstanding constituting not less than 50.1 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes then outstanding.

- (c) Subject as provided in Condition 13.3 (Basic Terms Modification), the quorum at any adjourned meeting of Class A Noteholders for passing an Extraordinary Resolution or an Ordinary Resolution will be one or more persons being or representing Class A Noteholders of Class A Notes outstanding whatever the Principal Amount Outstanding of Class A Notes outstanding so held or represented.

13.3 Basic Terms Modification

The quorum at any meeting of the Class A Noteholders for passing an Extraordinary Resolution that would have the effect of sanctioning:

- (a) a modification of the date of maturity of the Class A Notes or the Class B Loan;
- (b) a reduction in the amount of principal or the rate of interest payable in respect of either the Class A Notes or the Class B Loan;
- (c) a modification of the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of the Class A Notes or the Class B Loan;
- (d) any alteration of the currency of payment of the Class A Notes or the Class B Loan;
- (e) a release of the Issuer Security (or any part thereof) other than in accordance with the provisions of the Issuer Transaction Documents (including, without limitation, the Note Trustee's and the Issuer Security Trustee's ability to exercise their respective powers and discretions under the Note Trust Deed, the Issuer Deed of Charge and the other Issuer Transaction Documents);
- (f) an approval of any consent, modification, waiver, amendment or proposal by the Servicer or Special Servicer in respect of a Reserved Matter; or
- (g) a modification of the definition of "Basic Terms Modification" or the quorum or majority required to effect a Basic Terms Modification,

(each, a **Basic Terms Modification** except, in each case, as set out in the final Note Maturity Plan or the Note EoD Plan delivered to the Class A Noteholders pursuant to Condition 14 (Note Maturity Plan) or Condition 10.3 (Note EoD Plan), respectively), shall be one or more persons present holding Class A Notes outstanding or voting certificates in respect thereof or proxies representing in aggregate not less than 75 per cent. of the Principal Amount Outstanding of the Class A Notes for the time being outstanding, or at any adjourned such meeting, not less than 33¹/₃ per cent. of the Principal Amount Outstanding of the Class A Notes for the time being outstanding.

Where a modification, that would have been a Basic Terms Modification had it not been for the above proviso to the definition of "Basic Terms Modification", is included in the final Note Maturity Plan or Note EoD Plan delivered to the Class A Noteholders pursuant to Condition 14 (Note Maturity Plan) or Condition 10.3 (Note EoD Plan), such modification shall be approved in accordance with Condition 14 (Note Maturity Plan) or Condition 10.3 (Note EoD Plan) and such modification will not require the consent of the Class B Lender.

The Class B Lender's consent will be required to any Basic Terms Modification.

13.4 Disenfranchised Holder

- (a) For the purposes of determining:
- (i) the quorum at any meeting of the Class A Noteholders considering an Extraordinary Resolution or an Ordinary Resolution of the Class A Noteholders or the majority of votes cast at such meeting;
 - (ii) the holders of Class A Notes for the purposes of giving any direction to the Note Trustee (or any other party);
 - (iii) the majorities required for any Written Extraordinary Resolution, Written Ordinary Resolution, Electronic Extraordinary Resolution or Electronic Ordinary Resolution;
 - (iv) by the Note Trustee or the Issuer Security Trustee, whether any matter is materially prejudicial to the Class A Noteholders;
 - (v) the determination of how many and which Class A Notes are for the time being outstanding in accordance with the Note Trust Deed;
 - (vi) any right, discretion, power or authority (whether contained in the Issuer Transaction Documents or vested by operation of law) which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Class A Noteholders;
 - (vii) the objection by Class A Noteholders for the purposes of Negative Consent or any other purpose; or
 - (viii) the rejection of proposed amendments to the Issuer Transaction Documents or the Finance Documents by the Class A Noteholders pursuant to the Note Trust Deed or any other Issuer Transaction Document;

the voting, objecting (including, without limitation, in respect of Condition 13.9 (Negative Consent)) or directing rights attaching to any Class A Notes held by (or in relation to which the exercise of the right to vote is directed or otherwise controlled by):

- (i) the Issuer or any Affiliate Entity of the Issuer; or
- (ii) any Obligor or their respective Affiliates,

(each such person falling within (i) or (ii) above a **Disenfranchised Holder**) shall not be exercisable by such Disenfranchised Holder, and such Class A Notes shall be treated as if they were not outstanding and shall not be counted in or towards any required quorum or majority.

- (b) Each Class A Noteholder that holds Class A Notes that are treated as outstanding and counted in or towards any quorum, majority or other matter as referred to in (a) above shall be deemed to warrant and represent to the Issuer, the Issuer Security Trustee and the Note Trustee that it is not a Disenfranchised Holder.

13.5 Written Resolutions and Electronic Resolutions

- (a) The Note Trust Deed provides for Class A Noteholders to determine certain matters including, without limitation, matters which could be determined by Extraordinary Resolution or Ordinary Resolution passed at a meeting duly convened and held to be determined instead by:
 - (i) written consent by way of a Written Extraordinary Resolution or, as applicable, a Written Ordinary Resolution; or
 - (ii) electronic consent by way of an Electronic Extraordinary Resolution, or, as applicable, an Electronic Ordinary Resolution.
- (b) A Written Extraordinary Resolution has the same effect as an Extraordinary Resolution. A Written Ordinary Resolution has the same effect as an Ordinary Resolution.
- (c) An Electronic Extraordinary Resolution has the same effect as an Extraordinary Resolution. An Electronic Ordinary Resolution has the same effect as an Ordinary Resolution.

13.6 Consent or directions of the Class A Noteholders

Notwithstanding any provision to the contrary in these Conditions, the Note Trust Deed or the other Issuer Transaction Documents, at any time that any of the Class A Notes remain outstanding, where the Class A Noteholders are required to object to, consent or provide directions with respect to a modification of, or waiver or consent in relation to, the Finance Documents by Ordinary Resolution or Extraordinary Resolution, the Servicer or Special Servicer as applicable, will require that it will be a condition precedent to the implementation of such modification, waiver or consent that each person who objected, voted or counted in the quorum in any meeting of the Class A Noteholders, or otherwise provided any such objection, consent or direction provides a confirmation that it was not, at the time of such objection, vote, quorum, consent or direction, a Disenfranchised Holder.

13.7 Extraordinary Resolution or Ordinary Resolution binding

Subject to the provisions of these Conditions governing voting generally, an Extraordinary Resolution or an Ordinary Resolution deemed to be passed or passed at any meeting or duly signed by the required majority of Class A Noteholders shall be binding on all Class A Noteholders whether or not they are present at such meeting or signed such resolution.

13.8 Type of resolution

Other than in respect of any matter requiring an Extraordinary Resolution, Class A Noteholders are required to vote by way of an Ordinary Resolution.

13.9 Negative Consent

- (a) The Issuer, the Note Trustee, the Issuer Cash Manager, the Servicer or the Special Servicer may propose an Extraordinary Resolution or an Ordinary Resolution of the Class A Noteholders relating to any matter for consideration and approval by Negative Consent by the Class A Noteholders, other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Class A Note Event of Default, the acceleration of the Instruments or the enforcement of the Issuer Security

or an Ordinary Resolution relating to the sanction of a Note Maturity Plan or a Note EoD Plan.

- (b) **Negative Consent** means, in relation to an Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Class A Note Event of Default, the acceleration of the Instruments or the enforcement of the Issuer Security) or an Ordinary Resolution (other than an Ordinary Resolution relating to the sanction of a Note Maturity Plan or a Note EoD Plan), of the Class A Noteholders, the process whereby such Extraordinary Resolution or Ordinary Resolution shall be deemed to be duly passed and shall be binding on all of the Class A Noteholders in accordance with its terms where:
- (i) notice of such Extraordinary Resolution or Ordinary Resolution, as applicable, (including the full text of the same) has been given by the Issuer, the Note Trustee, the Issuer Cash Manager, the Servicer or the Special Servicer to the Class A Noteholders in accordance with the provisions of Condition 17 (Notice to Class A Noteholders);
 - (ii) such notice contains a statement:
 - (A) requiring such Class A Noteholders to inform the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Class A Notes may be held) if they object to such Extraordinary Resolution or Ordinary Resolution, stating that unless holders of (in the case of both an Extraordinary Resolution or an Ordinary Resolution), Class A Notes outstanding constituting 50 per cent. or more in aggregate Principal Amount Outstanding of the Class A Notes outstanding, make such objection, the Extraordinary Resolution or Ordinary Resolution will be deemed to be passed by the Class A Noteholders; and
 - (B) specifying the requirements for the making of such objections (including addresses, email addresses and deadlines) as further set out in the following paragraph; and
 - (iii) holders of in the case of an Extraordinary Resolution or an Ordinary Resolution, Class A Notes outstanding constituting 50 per cent. or more in aggregate Principal Amount Outstanding of the Class A Notes, have not informed the Note Trustee in writing of their objection to such Extraordinary Resolution or Ordinary Resolution within (in respect of a Finance Document Request) seven Business Days or (in respect of any matter other than a Finance Document Request) 30 clear days of the date of the relevant notice.
- (c) Any notice containing the text of an Extraordinary Resolution or an Ordinary Resolution shall:
- (i) in all cases also be delivered:
 - (A) through the systems of Bloomberg L.P. (or such other medium as may be approved in writing by the Note Trustee);
 - (B) to the Clearing Systems for communication by them to their participants and for communication by such participants to entitled

account holders, by the Issuer, the Note Trustee, the Issuer Cash Manager, the Servicer or the Special Servicer, as applicable;

- (C) by the Servicer in accordance with Condition 17.5 (Servicer communications with Class A Noteholders); and
 - (D) by the Issuer to the Class B Lender in accordance with the Class B Loan Agreement; and
- (ii) for so long as any Class A Notes are listed on the Irish Stock Exchange, be made available to any Regulatory Information Service maintained by the Irish Stock Exchange.

13.10 Modifications and waivers

- (a) The Note Trustee may agree or may direct the Issuer Security Trustee to agree, without the consent of the Class A Noteholders (but without prejudice to Condition 13.12 (Direction of the Class A Noteholders)):
 - (i) to any modification (except a Basic Terms Modification) of the Class A Notes, the Note Trust Deed (including these Conditions) or any of the other Issuer Transaction Documents or the Finance Documents which, in the opinion of the Note Trustee, is not materially prejudicial to the interests of the holders of the Class A Notes (for so long as any of the Class A Notes remain outstanding); or
 - (ii) to any modification of the Class A Notes, the Note Trust Deed (including these Conditions) or any of the other Issuer Transaction Documents or the Finance Documents which, in the opinion of the Note Trustee, is:
 - (A) to correct a manifest error or an error proven to the satisfaction of the Note Trustee; or
 - (B) of a formal, minor or technical nature.
- (b) The Note Trustee may also, without the consent or sanction of the Class A Noteholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act from time to time and at any time but only if and in so far as in its opinion the interests of the Class A Noteholders (for so long as any of the Class A Notes remain outstanding) shall not be materially prejudiced thereby:
 - (i) waive or authorise, or direct the Issuer Security Trustee to waive or authorise, on such terms and subject to such conditions as it shall deem fit and proper, any breach or proposed breach by the Issuer or any other party thereto of any of the covenants or provisions contained in the Note Trust Deed (including these Conditions) or in any other Issuer Transaction Documents (which, for the avoidance of doubt, shall include payment by the Issuer Cash Manager of monies standing to the credit of the Issuer Transaction Account other than in accordance with the provisions of the Issuer Deed of Charge) or in any Finance Documents; or
 - (ii) determine that any condition, event or act which constitutes a Class A Note Event of Default or Potential Class A Note Event of Default shall not be

treated as such for the purposes of the Note Trust Deed (including these Conditions).

- (c) The Note Trustee will rely without further investigation on any confirmation or certification provided to it in connection with the modifications (and, in relation to any certification as to whether the modifications constitute a Basic Terms Modification shall rely on such certification) and will not monitor or investigate whether the Issuer is acting in a commercially reasonable manner, nor will the Note Trustee be responsible for any liability that may be occasioned to any person by acting in accordance with these provisions based on any written notification or confirmation it receives from the Issuer.
- (d) Any such modification, waiver, authorisation or determination in accordance with these Conditions, the Issuer Transaction Documents or the Finance Documents shall be binding on the Class A Noteholders and, unless the Note Trustee agrees otherwise, any such modification, waiver, authorisation or determination shall be notified (subject to, where required, being consented to by the Class B Lender pursuant to Condition 13.11 (Class B Lender's consent) and the Class B Loan Agreement) by the Issuer to the Class A Noteholders and the Class B Lender as soon as practicable thereafter in accordance with Condition 17 (Notice to Class A Noteholders) and the Class B Loan Agreement, respectively.
- (e) Notwithstanding the other provisions of this Condition 13.10, the Issuer Deed of Charge provides that the Issuer Security Trustee cannot agree, without the consent of the Borrower, to any modification of the Issuer Transaction Documents which is a Protected Matter.

13.11 Class B Lender's consent

- (a) Subject to Condition 13.11(c), the Class B Lender's consent will (save in certain circumstances referred to below) be required, in addition to the Note Trustee's or the Class A Noteholders' consent, to any proposed modification, waiver, authorisation or consent in relation to the Finance Documents or the Issuer Transaction Documents in order for the Issuer Security Trustee, the Servicer and/or the Special Servicer, as applicable, to be authorised and/or instructed (where such authorisation and/or instruction is required in accordance with the Issuer Transaction Documents) to agree to the relevant matter.
- (b) The Class B Lender will only be able to withhold its consent in respect of any such proposed modification, waiver authorisation and/or consent, if:
 - (i) it (acting reasonably) certifies to the Issuer, the Issuer Security Trustee and/or the Servicer or the Special Servicer (as the case may be) (which certificate the Issuer Security Trustee, the Servicer or the Special Servicer, as applicable, may rely on without enquiry into the reasonableness thereof) that to give such consent would be materially prejudicial to the interests of the Class B Lender; and
 - (ii) the modification is not to correct a manifest error or an error proven to the satisfaction of the Class B Lender or is not of a formal, minor or technical nature.
- (c) The Class B Lender's consent to any matter will only be required while the Issuer Security is not enforceable (except in respect of a proposed Basic Terms

Modification, in which case it will also be required while the Issuer Security is enforceable).

- (d) Notwithstanding the foregoing provisions of this Condition, the Class B Lender's consent will not be required:
- (i) to the termination and replacement of the Note Trustee or the Agents in accordance with the terms of the relevant agreement or deed under which each relevant entity was appointed;
 - (ii) for the Note Trustee and/or the Issuer Security Trustee to determine that any Class A Note Event of Default or Potential Class A Note Event of Default shall not be treated as such for the purposes of the Issuer Transaction Documents;
 - (iii) to the appointment of an administrative receiver in respect of the Issuer by the Issuer Security Trustee in accordance with Condition 11(b); or
 - (iv) to any matter included in a final Note EoD Plan or a final Note Maturity Plan.
- (e) The Class B Lender will be deemed to have granted its consent if the certificate referred to above in Condition 13.11(b)(i) has not been delivered to the Issuer, the Issuer Security Trustee or the Servicer or the Special Servicer, as applicable, within seven Business Days of the Class B Lender having been asked to provide its consent (except that this provision will not apply where the Class B Lender's consent is required to terminate the appointment of the Servicer or the Special Servicer).

13.12 Direction of the Class A Noteholders

The Note Trustee shall not exercise the powers of modification, waiver, authorisation or determination set out in Condition 13.10 (Modifications and waivers) in contravention of any:

- (a) express written direction given by holders of 50.1 per cent. in aggregate of the Principal Amount Outstanding of the Class A Notes then outstanding; or
- (b) Ordinary Resolution of the holders of the Class A Notes then outstanding,

provided that no such direction or restriction shall affect any modification, authorisation, waiver or determination previously made or given.

13.13 Conflicts

Where the Note Trustee is required, in connection with the exercise of its rights, powers, trusts, authorities, duties and discretions, to have regard to the interests of the Class A Noteholders, it shall (without prejudice to the provisions of Condition 3.1(b)) have regard to the interests of such Class A Noteholders as a class and, in particular, but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Class A 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 Note Trustee shall not be entitled to require, nor shall any Class A Noteholder be entitled to claim, from the Issuer or the Note Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Class A Noteholders.

13.14 Note Trustee discretions

The Note Trustee shall be entitled to determine, in its own opinion, for the purposes of exercising any right, power, trust, authority, duty or discretion under or in relation to the Class A Notes, the Conditions or any of the Issuer Transaction Documents or Finance Documents, that such exercise will not be materially prejudicial to the interests of the Class A Noteholders and in making such a determination shall be entitled to take into account, without enquiry, any other things it may in its absolute discretion consider necessary and/or appropriate in respect of such exercise.

13.15 Substitution of Issuer

- (a) The Note Trustee may (subject to such amendments of these Conditions and of any of the Issuer Transaction Documents, and to such other conditions as the Note Trustee may require), without the consent of the Class A Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute) as the principal debtor in respect of the Class A Notes and the Class B Loan of another body corporate (being a single purpose vehicle) subject to satisfaction of certain other conditions set out in the Note Trust Deed and the Class B Loan Agreement (or suitable arrangements being put in place to ensure satisfaction of such conditions). In the case of substitution of the Issuer, for so long as the Class A Notes are listed on the Irish Stock Exchange and its rules so require, the Irish Stock Exchange shall be notified by the Issuer of such substitution, a supplemental offering circular will be prepared by the new principal debtor and filed with the Irish Stock Exchange, and notice of the substitution will be given to the Class A Noteholders by the Issuer in accordance with Condition 17 (Notice to Class A Noteholders) and the Class B Lender by the Issuer in accordance with the Class B Loan Agreement.
- (b) In connection with any such substitution of the Issuer as referred to above in Condition 13.15(a), the Note Trustee and the Issuer Security Trustee may also agree, without the consent of the Class A Noteholders or the other Issuer Secured Creditors (apart from the Class B Lender, which would be required to give consent in accordance with Condition 13.11 (Class B Lender's consent)), to a change in the laws governing the Class A Notes, these Conditions and/or any of the Issuer Transaction Documents, provided that such change would not, in the opinion of the Note Trustee or, as the case may be, the Issuer Security Trustee, be materially prejudicial to the interests of the Class A Noteholders or the other Issuer Secured Creditors (apart from the Class B Lender, such determination to be made by the Class B Lender in accordance with the terms of the Class B Loan Agreement).

13.16 Class A Notes being held through Euroclear or Clearstream, Luxembourg

- (a) Where, for the purposes of these Conditions, the Note Trustee or any other party to the Issuer Transaction Documents requires a Class A Noteholder holding an interest in Class A Notes through Euroclear or Clearstream, Luxembourg to establish its holding of such interest in the Class A Notes to the satisfaction of such party, such holding shall be considered to be established if such Class A Noteholder provides to the requesting party:
 - (i) a Euclid Statement (in the case of Euroclear) or a Creation Online Statement (in the case of Clearstream, Luxembourg) in each case providing confirmation at the time of issue of the same of such person's holding in the Class A Notes;

- (ii) if the relevant Class A Notes are held through one or more custodians, a signed letter from each such custodian confirming on whose behalf it is holding such Class A Notes such that the Note Trustee or other party to the Issuer Transaction Documents (as applicable) is able to verify to its satisfaction the chain of ownership to the beneficial owner; and
 - (iii) any other evidence of a holding of such interest in the relevant Class A Notes in a form acceptable to the Note Trustee or other party to the Issuer Transaction Documents (as applicable).
- (b) If in connection with verifying its holding the Note Trustee or other party to the Issuer Transaction Documents requires a Class A Noteholder to temporarily block its interest in the Class A Notes in Euroclear or Clearstream, Luxembourg, such Class A Noteholder will be required to instruct Euroclear or Clearstream, Luxembourg (via its custodian, if applicable) to do so.

14. NOTE MATURITY PLAN

- (a) If:
- (i) any part of the Securitised Loan remains outstanding on the date which is six months prior to the Final Maturity Date (the **Note Maturity Plan Trigger Date**); and
 - (ii) in the opinion of the Special Servicer, all recoveries then anticipated by the Special Servicer with respect to the Securitised Loan (whether by enforcement of the related Mall Loan Security, the Issuer Security or otherwise) are unlikely to be realised in full prior to the Final Maturity Date,
- the Special Servicer will be required, no later than 45 days after the Note Maturity Plan Trigger Date, to prepare a selection of proposals in a draft Note Maturity Plan to the Issuer (which will provide a copy of the same to the Class A Noteholders and the Class B Lender), the Note Trustee and the Issuer Security Trustee relating to the final disposal or other resolution of the Securitised Loan, which assumes that the Class A Notes are not repaid on their Final Maturity Date. At least one proposal provided by the Special Servicer must be that the Issuer Security Trustee, at the cost of the Issuer, will engage an independent financial advisor or a receiver to advise the Issuer Security Trustee as to the realisation of the Issuer Security.
- (b) Upon receipt of the draft Note Maturity Plan, the Issuer will be required to convene a meeting of the Class A Noteholders and the Class B Lender (the non-attendance of which will not affect the validity of the meeting) at which the Class A Noteholders and the Class B Lender will have the opportunity to discuss the various proposals contained in the draft Note Maturity Plan with the Special Servicer.
- (c) Following such meeting, the Special Servicer will have the opportunity to modify the draft Note Maturity Plan and will promptly prepare and provide a final Note Maturity Plan to the Issuer (which will provide a copy of the same to the Class A Noteholders and the Class B Lender), the Note Trustee and the Issuer Security Trustee. Upon receipt of the final Note Maturity Plan, the Issuer will be required to convene a meeting of the Class A Noteholders at which the Class A Noteholders will be requested to select by way of Ordinary Resolution their preferred option among the proposals set forth in the final Note Maturity Plan in order to realise the secured

assets of the Issuer at such time as the Issuer Security becomes enforceable in accordance with its terms pursuant to the Issuer Deed of Charge.

- (d) The Special Servicer will implement the proposal that receives the approval of the Class A Noteholders by way of Ordinary Resolution (without requiring the consent of the Class B Lender). If no option receives the approval of the Class A Noteholders at such meeting, then the Issuer Security Trustee will be deemed to be directed by the Class A Noteholders and, to the extent required, the Class B Lender to appoint a receiver in order to realise the secured assets of the Issuer at such time as the Issuer Security becomes enforceable in accordance with its terms pursuant to the Issuer Deed of Charge, subject to being indemnified and/or secured and/or pre-funded to its satisfaction in order to realise the Issuer Security.

15. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

- (a) The Note Trust Deed and the Issuer Deed of Charge and certain of the other Issuer Transaction Documents contain provisions for indemnification of each of the Note Trustee and the Issuer Security Trustee and for their responsibility and relief from responsibility, including provisions relieving them from taking any action including taking proceedings against the Issuer and/or any other person or, in the case of the Issuer Security Trustee, enforcing the security constituted by the Issuer Deed of Charge unless indemnified and/or secured and/or prefunded to their satisfaction.
- (b) The Note Trust Deed and the Issuer Deed of Charge also contain provisions pursuant to which the Note Trustee and the Issuer Security Trustee are entitled, amongst other things:
 - (i) to enter into business transactions with the Issuer and/or any other party to any of the Issuer Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Issuer Transaction Documents;
 - (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Class A Noteholders; and
 - (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. REPLACEMENT OF GLOBAL NOTE AND DEFINITIVE NOTES

If any Global Note or Definitive Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent or the Registrar upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer, the Registrar, the Paying Agent or the Note Trustee may reasonably require. A mutilated or defaced Global Note or mutilated or defaced Definitive Notes must be surrendered before replacements will be issued.

17. NOTICE TO CLASS A NOTEHOLDERS

17.1 Validity of notices

- (a) All notices, other than notices given in accordance with Conditions 17.2 (Impossibility) to 17.4 (Verified Debtholder and Initiating Debtholder) (inclusive) of this Condition 17 to Class A Noteholders shall be deemed to have been validly given if:
- (i) for so long as the Class A Notes are listed on a stock exchange and the rules of such stock exchange or any applicable regulation so require, or at the option of the Issuer, if delivered through the announcements section of the relevant stock exchange and a regulated information service maintained or recognised by such stock exchange; and
 - (ii) for so long as the Class A Notes are represented by a Global Note if, for so long as the Class A Notes are listed on a stock exchange, the rules of such stock exchange so allow if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to their participants and for communication by such participants to entitled account holders; and
 - (iii) for so long as the Class A Notes are represented by a Global Note and if, for so long as the Class A Notes are listed on a stock exchange, the rules of such stock exchange so allow if delivered to the electronic communications systems maintained by Bloomberg L.P. for publication on the relevant page for the Class A Notes or such other medium for the electronic display of data as may be previously approved in writing by the Note Trustee; or
 - (iv) if the Class A Notes are in definitive form, if published in a leading daily newspaper printed in the English language and with general circulation in Ireland (which is expected to be The Irish Times) or, if that is not practicable, in such English language newspaper or newspapers having a general circulation in Ireland and the rest of Europe.
- (b) Any such notice shall be deemed to have been given on:
- (i) in the case of a notice delivered to the regulated information service of a stock exchange, the day on which it is delivered to such stock exchange;
 - (ii) in the case of a notice delivered to Euroclear and/or Clearstream, Luxembourg, the day on which it is delivered to Euroclear and/or Clearstream, Luxembourg;
 - (iii) in the case of a notice delivered to Bloomberg L.P., the day on which it is delivered to Bloomberg L.P.; and
 - (iv) in the case of a notice published in a newspaper, 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.

17.2 Impossibility

If it is impossible or impractical to give notice in accordance with paragraph (i), (ii) or (iii) of paragraph (a) of Condition 17.1 (Validity of notices), then notice of the relevant matters shall be given in accordance with paragraph (iv) of paragraph (a) of Condition 17.1 (Validity of notices).

17.3 Note Trustee can sanction other methods of giving notice

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Class A Noteholders or to a 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 Class A Notes are then listed and provided that notice of such other method is given to the Class A Noteholders in such manner as the Note Trustee shall require. The Note Trustee shall give notice to the Class A Noteholders in accordance with this Condition 17 (Notice to Class A Noteholders) of any additions to, deletions from or alterations to such methods from time to time.

17.4 Verified Debtholder and Initiating Debtholder

- (a) Any Verified Debtholder will be entitled from time to time to request the Issuer Cash Manager to publish a notice on its investor reporting website requesting other Verified Debtholders to contact it subject to and in accordance with the following provisions.
- (b) For these purposes:
 - (i) **Verified Debtholder** means the Class B Lender or a Verified Noteholder; and
 - (ii) **Verified Noteholder** means a then current Class A Noteholder which has satisfied the Issuer Cash Manager (or, in respect of Condition 17.5 (Servicer communications with Class A Noteholders), the Servicer) that it is a Class A Noteholder in accordance with Condition 13.16 (Class A Notes being held through Euroclear or Clearstream, Luxembourg).
- (c) Following receipt of a request for the publication of a notice from a Verified Debtholder (the **Initiating Debtholder**), the Issuer Cash Manager shall publish such notice on its investor reporting website as an addendum to any Issuer Cash Manager Quarterly Report or other report to the Class A Noteholders and the Class B Lender due for publication within five Business Days of receipt of the same (or, if there is no such report, through a special notice for such purpose as soon as is reasonably practical after receipt of the same), provided that such notice contains no more than:
 - (i) an invitation to other Verified Debtholders to contact the Initiating Debtholder;
 - (ii) the name of the Initiating Debtholder and the address, phone number, website or email address at which the Initiating Debtholder can be contacted; and
 - (iii) the date(s) from, on or between which the Initiating Debtholder may be so contacted.

- (d) The Issuer Cash Manager will not request and will not be permitted to publish any further or different information through this mechanism.
- (e) The Issuer Cash Manager will have no responsibility or liability for the contents, completeness or accuracy of any such published information and shall have no responsibility (beyond publication of the same in the manner described above) for ensuring Class A Noteholders receive the same.

17.5 Servicer communications with Class A Noteholders and Class B Lender

- (a) Pursuant to the Servicing Agreement, the Servicer will create and maintain a record (the **Issuer Debtholder Record**) of:
 - (i) the name and contact details of entities which own an ultimate beneficial interest in respect of the Class A Notes (and the Principal Amount Outstanding of each relevant holding), to the extent such entities are Verified Noteholders; and
 - (ii) the name and contact details of the Class B Lender.
- (b) Subject to Condition 17.5(c), on the same day (or, for any notices received by the Servicer after 12 noon on any day, on the following Business Day) as any notice is given to Class A Noteholders pursuant to Condition 17.1 (Validity of notices) or 17.3 (Note Trustee can sanction other methods of giving notice) in respect of any matter relating to a Finance Document Request, the Servicer will send a copy of such notice to the recorded contact details of each entity then currently recorded as a Class A Noteholder and (for information purposes only, unless the same also constitutes a formal request to the Class B Lender) to the then recorded Class B Lender on the Issuer Debtholder Record.
- (c) The Servicer shall not be required to send a copy of any notices as required by Condition 17.5(b) above:
 - (i) if it has not received a copy of such notice by the Issuer (unless the Servicer itself prepared the relevant notice);
 - (ii) to a person which it reasonably believes is no longer a Class A Noteholder or the Class B Lender or in respect of any such person the contact details of whom are reasonably believed by the Servicer to be incorrect or otherwise out of date; or
 - (iii) if it reasonably believes that sending a copy of such notice would violate any applicable law or regulation.
- (d) Subject to the terms of the Servicing Agreement, the Servicer shall have no responsibility or liability to any person in respect of such record.

18. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Class A Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

The Issuer Transaction Documents and the Class A Notes, and any non-contractual obligation arising from or in connection with them, will be governed by, and shall be construed in accordance with, English law.

19.2 Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the Note Trust Deed, the Issuer Deed of Charge, the Class A Notes and the other Issuer Transaction Documents. The Issuer has in each of the Issuer Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of the English courts.

DESCRIPTION OF THE CLASS B LOAN AGREEMENT

Summary	AIG Europe Limited (the Class B Lender) will, on the Closing Date, subject to the satisfaction of certain conditions precedent, advance to the Issuer a loan of £25,000,000 pursuant to the Class B Loan Agreement (the Class B Loan).
Ranking in respect of the Class A Notes	<p>The Class B Loan will rank junior to the Class A Notes other than as to:</p> <ul style="list-style-type: none">(a) payment of principal which will be paid on a <i>pro rata</i> basis to the Class B Lender and the Class A Noteholders while a Sequential Payment Trigger has not occurred and is not continuing (with any amount due to the Class B Lender being reduced by an amount equal to any Principal Workout Fees due to the Special Servicer); and(b) payment of Class A Additional Interest prior to the service of an Issuer Debt Acceleration Notice, <p>as provided in the Class B Loan Agreement and the Issuer Transaction Documents.</p>
Security	The Issuer Security.
Covenants	The covenants given to the Issuer Security Trustee pursuant to the Issuer Deed of Charge. See Condition 4 (Covenants) for a summary of these covenants (only certain of these covenants will be given by the Issuer to the Class B Lender).
Interest	<p>The Class B Rate of Interest payable from time to time in respect of the Class B Loan will be determined by the Issuer Cash Manager on each Interest Determination Date.</p> <p>The rate of interest applicable to the Class B Loan (the Class B Rate of Interest) for any:</p> <ul style="list-style-type: none">(a) Issuer Debt Interest Period commencing on or after the Closing Date up to and excluding the Expected Maturity Date will be equal to (a) 1.86 per cent. per annum plus (b) 2.39 per cent. per annum ((b) being the Class B Margin).(b) Issuer Debt Interest Period commencing on or after the Expected Maturity Date will be equal to (a) three-month LIBOR (or, in the case of the first Issuer Debt Interest Period following the Expected Maturity Date, the linear interpolation of one-month and two-month LIBOR deposits) plus (b) the Class B Margin. <p>The LIBOR component of the Class B Rate of Interest for the Class B Loan will be determined by the Issuer Cash Manager in the same manner as it is determined by the Agent Bank in respect of the Class A Notes. If there is a difference between the LIBOR</p>

component of the Class B Rate of Interest in respect of the Class B Loan as compared to that in respect of the Class A Rate of Interest, the Issuer Cash Manager will consult with the Agent Bank to agree LIBOR so that the LIBOR component of the Class B Rate of Interest and the Class A Rate of Interest is the same.

Deferred Class B Loan Interest

While there are any Class A Notes outstanding, to the extent that, on any Interest Payment Date, Principal Prepayment Date or other payment date, as applicable, there are insufficient funds available (pursuant to the relevant Issuer Priority of Payments) to pay the full amount of interest or any other amount (other than principal) due on the Class B Loan but for this paragraph, then the amount of the interest shortfall or other amount shortfall (**Deferred Class B Loan Interest**) will not fall due on that Interest Payment Date, Principal Prepayment Date or other payment date. Instead, the Issuer shall, in respect of the Class B Loan, create a provision in its accounts for the related Deferred Class B Loan Interest on the relevant Interest Payment Date, Principal Prepayment Date or other payment date.

Such Deferred Class B Loan Interest shall accrue interest at the same rate as that payable in respect of the Class B Loan from the date of deferral and such amounts shall be payable together with such accrued interest on the earlier of (i) any succeeding Interest Payment Date, Principal Prepayment Date or other payment date, as applicable, but only if and to the extent that, on such Interest Payment Date, Principal Prepayment Date or other payment date, as applicable there are sufficient funds available (pursuant to the relevant Issuer Priority of Payments), after deducting amounts ranking in priority to the payment of interest (and other relevant amount) on the Class B Loan in accordance with the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Allocation Rules or, as applicable, the Post-Acceleration Priority of Payments and (ii) the date on which the Class B Loan is repaid in full.

While there are any Class A Notes outstanding, there shall be no Class B Loan Event of Default caused by reason only of the non-payment when due (but for the above provisions in respect of Deferred Class B Loan Interest) of any interest or other amount (other than principal) on the Class B Loan.

Issuer Debt Prepayment Costs and Class B Prepayment Accrued Interest

Prior to the service of an Issuer Debt Acceleration Notice, Class B Fixed Rate Break Costs and Class B Prepayment Accrued Interest will be payable by the Issuer to the Class B Lender in the event the Class B Loan is subject to a mandatory redemption in part or in full by reason of a prepayment of the Securitised Loan.

Redemption

The Class B Loan is subject to the same optional and mandatory redemption events as the Class A Notes.

Taxation

All payments in respect of the Class B Loan (by or on behalf of the Issuer) will be made without withholding or deduction for, or

on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature unless the Issuer is required by applicable law in any jurisdiction to make any payment in respect of the Class B Loan subject to any such withholding or deduction. In that event, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obliged to make any additional payments to the Class B Lender in respect of such withholding or deduction.

Class B Loan Events of Default

The Class B Loan Events of Default are substantially similar to the Class A Note Events of Default (as the same would apply to the Class B Loan and not the Class A Notes) (each, a **Class B Loan Event of Default**). The Class B Loan Events of Default are not effective until the Class A Notes have been redeemed in full.

Acceleration and enforcement

The Class B Lender cannot serve an acceleration notice or direct the Issuer Security Trustee to enforce the Issuer Security until a Class B Loan Event of Default has occurred and the Class A Notes have been redeemed in full.

Limit on Class B Lender action, limited recourse and non-petition

The Class B Loan is a limited recourse obligation of the Issuer and, if it is not repaid in full following the Final Maturity Date or realisation or enforcement of all of the Issuer Security, the Issuer shall have no liability to make payment of any shortfall and any claim in respect of any outstanding payments will be extinguished and discharged. In addition, the Class B Lender will not be entitled to proceed directly against the Issuer or any other Issuer Secured Creditors to enforce the Issuer Security.

Consent of the Class B Lender

Except in certain circumstances, prior to the occurrence of a Class A Note Event of Default, the Class B Lender's consent will be required to any matter in respect of which the Issuer Security Trustee's, Note Trustee's or the Class A Noteholders' consent is required. The Class B Lender can only withhold its consent to such matter if:

- (a) acting reasonably, it certifies to the Issuer, the Issuer Security Trustee and/or the Servicer or the Special Servicer (as the case may be) (which certificate the Issuer Security Trustee, the Servicer or the Special Servicer, as applicable, may rely on without enquiry into the reasonableness thereof) that to give such consent would be materially prejudicial to the interests of the Class B Lender; and
- (b) the modification is not to correct a manifest error or an error proven to the satisfaction of the Note Trustee or is not of a formal, minor or technical nature.

The parties acknowledge that the Class B Lender's consent will not be required:

- (a) to the termination and replacement of the Note Trustee or the Agents in accordance with the terms of the relevant agreement or deed under which each relevant entity was appointed;
- (b) for the Note Trustee and/or the Issuer Security Trustee to determine that any Class A Note Event of Default or Potential Class A Note Event of Default shall not be treated as such for the purposes of the Issuer Transaction Documents;
- (c) to the appointment of an administrative receiver in respect of the Issuer by the Issuer Security Trustee in accordance with the Issuer Deed of Charge; and
- (d) to any matter included in a final Note EoD Plan or a final Note Maturity Plan.

Following the occurrence of a Class A Note Event of Default, the Class B Lender's consent will only be required to a Basic Terms Modification.

The Class B Lender will be deemed to have given its consent to a matter if the Class B Lender has not delivered to the Issuer, the Issuer Security Trustee and/or the Servicer or the Special Servicer (as the case may be) the certificate referred to above within seven Business Days of the Class B Lender having been notified by the Issuer, the Issuer Security Trustee, the Servicer and/or the Special Servicer of any matter requiring its consent. This provision will not apply where the Class B Lender's consent is required to terminate the appointment of the Servicer or the Special Servicer.

Issuer action at request of Class B Lender

While any of the Class A Notes are outstanding, any direction, consent or instruction of the Class B Lender to the Issuer, the Issuer Security Trustee and/or the Servicer or the Special Servicer (as the case may be) will not be effective for any purposes unless either:

- (a) the Note Trustee has certified to the Issuer, the Issuer Security Trustee and/or the Servicer or the Special Servicer (as the case may be) that the Note Trustee is of the opinion that such direction, consent or instruction would not be materially prejudicial to the interests of the Class A Noteholders (and a direction in respect of a Basic Terms Modification will be deemed to be materially prejudicial); or
- (b) such direction, consent or instruction is sanctioned by an Extraordinary Resolution of the Class A Noteholders.

Assignment by the Class B Lender

The Class B Lender is free to assign its interest in the Class B Loan, in full (and not in part), to any entity that is not a

Disenfranchised Holder.

Governing law

The Class B Loan will be governed by, and shall be construed in accordance with, English law.

UNITED KINGDOM TAXATION

The following applies only to persons who are the beneficial owners of Class A Notes and is a summary of the Issuer's understanding of current United Kingdom law and published HMRC practice relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Class A Notes. References in this section to "interest" shall mean amounts that are treated as interest for the purposes of United Kingdom taxation. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Class A Notes. The United Kingdom tax treatment of prospective Class A Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Class A Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

This section assumes that there will be no substitution of the Issuer and does not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the Conditions of the Class A Notes).

Interest on the Class A Notes

Payments of interest on the Class A Notes may be made by the Issuer without withholding or deduction for or on account of United Kingdom income tax in the following circumstances:

- (a) where the Class A Notes are listed on a "recognised stock exchange", within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange. The Class A Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Irish Stock Exchange. Provided, therefore, that the Class A Notes remain so listed, interest on the Class A Notes will be payable without withholding or deduction on account of United Kingdom tax; and
- (b) where interest on the Class A Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Class A Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Class A Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Class A Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Class A Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

HMRC has powers to obtain information and documents relating to the Class A Notes, including in relation to issues of and other transactions in the Class A Notes, interest, payments treated as interest and other payments derived from the Class A Notes. This may include details of the beneficial owners of the Class A Notes, of the persons for whom the Class A Notes are held and of the persons to whom payments derived from the Class A Notes are or may be paid. Information may be obtained from a range of persons including persons who effect or are a party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the Class A Notes, persons who make, receive or are entitled to receive payments derived from the Class A Notes and

persons by or through whom interest and payments treated as interest are paid or credited.
Information obtained by HMRC may be provided to tax authorities in other jurisdictions.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a “foreign financial institution”, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (the **IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or deemed to be in compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the Issuer (a **Recalcitrant Holder**). The Issuer may be classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Class A Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the **grandfathering date**, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Class A Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. Consequently, if the Class A Notes are characterised as debt for U.S. federal tax purposes, withholding under FATCA would not apply to foreign passthru payments made in respect of the Class A Notes absent a material modification or further issuance after the grandfathering date.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the **U.S.-U.K. IGA**) based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the U.S.-U.K. IGA, it does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Class A Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Class A Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Class A Notes are in global form and held within the Clearing Systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Class A Notes by the Issuer, any Paying Agent or the common depository, given that each of the entities in the payment chain between the Issuer and the participants in the Clearing Systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Class A Notes. The documentation expressly contemplates the possibility that the Class A Notes may go into definitive form and therefore that they

may be taken out of the Clearing Systems. If this were to happen, then a non-FATCA - compliant holder could be subject to FATCA Withholding. However, definitive Class A Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the U.S.-U.K. IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Class A Notes.

EU SAVINGS DIRECTIVE

Under the EU Savings Directive, member states are required to provide to the tax authorities of other member states details of certain payments of interest or similar income paid or secured by a person established in a member state to or for the benefit of an individual resident in another member state or certain limited types of entities established in another member state.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member states are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a member state must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those member states which still operate a withholding system when they are implemented. Luxembourg has abolished the withholding system, with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories, including Switzerland, have adopted similar measures.

SUBSCRIPTION AND SALE

Morgan Stanley & Co. International plc, in its capacity as Lead Manager, has agreed, pursuant to the Subscription Agreement, subject to certain conditions, to procure subscribers, failing which it will itself subscribe and pay for agreed amounts of the Class A Notes at 102.462269 per cent. of their respective principal amounts.

Pursuant to the Retention Deed, Morgan Stanley Bank, N.A., as original lender, will covenant that it will retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of each of Article 405 of the Capital Requirements Regulation and Article 51 of the AIFM Regulation. As at the Closing Date, such interest will comprise at least a 5 per cent. *pari passu* interest in the Fixed Rate Mall Loan as required by the text of each of Article 405 and Article 51. Any change to the manner in which such interest is held will be notified to Class A Noteholders.

United States of America

The Lead Manager has acknowledged to the Issuer that the Class A 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. The Lead Manager has agreed that it will not offer, sell or deliver the Class A Notes within the United States or to, or for the account or benefit of, U.S. persons.

In connection with sales outside the United States, the Lead Manager has agreed under the Subscription Agreement that it will not offer, sell or deliver the Class A Notes to, or for the account or benefit of, U.S. persons as part of such Lead Manager's distribution at any time and, accordingly, that neither it, its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (within the meaning of Regulation S under the Securities Act) with respect to the Class A Notes and it and its affiliates and any person acting on its or their behalf has complied with and will comply with the offering restriction requirements of Regulation S under the Securities Act to the extent applicable.

The Lead Manager under the Subscription Agreement has also agreed that, at or prior to confirmation of sales of any Class A Notes, it will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration to which it sells any Class A Notes a confirmation or other notice setting forth the restrictions on offers and sales of such Class A Notes within the United States or to, or for the account or benefit of, U.S. persons.

Public offer selling restriction under the Prospectus Directive

In relation to each Relevant Member State, each of the Issuer and the Lead Manager have 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 Class A Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Class A Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than

qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Lead Manager; or

- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Class A Notes will require the Issuer or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of these provisions, the expression of “an offer of Class A Notes to the public” in relation to any Class A Notes 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 Class A Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Class A Notes, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state.

United Kingdom

The Lead Manager has further represented and agreed that, except as permitted by the Subscription Agreement:

- (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 the Class A 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 FSMA with respect to anything done by it in relation to the Class A Notes in, from or otherwise involving the United Kingdom.

General

Other than the approval by the Central Bank of Ireland of this Offering Circular as a prospectus in accordance with the requirements of the Prospectus Directive and implementing measures in Ireland, application having been made for the Class A Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on the Main Securities Market, no action is being taken in any jurisdiction that would or is otherwise intended to permit a public offering of the Class A Notes, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Issuer or the Class A Notes, in any jurisdiction where action for that purpose is required. This Offering Circular 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 Class A Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisement in connection with the Class A 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.

The Lead Manager has undertaken not to offer or sell any of the Class A Notes, or to distribute this document or any other material relating to the Class A Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

None of the Issuer or the Lead Manager represent that the Class A Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or

pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such a sale.

Interests of natural and legal persons involved in the issue/offer

The Lead Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer, the Borrower and their respective shareholders and affiliates in the ordinary course of business for which they have received and will receive compensation.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Class A Notes.

The Class A Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other relevant jurisdiction and, accordingly, may not be re-offered, resold, pledged or otherwise transferred except in accordance with the restrictions described below.

Each purchaser of an interest in a Global Note or a Definitive Note (each initial purchaser of Class A Notes, together with each subsequent transferee of Class A Notes, is referred to herein as the **Purchaser**) will be deemed, or in the case of a Definitive Note required, to have acknowledged, represented and agreed as follows (terms used in this section that are defined in Regulation S under the Securities Act are used herein as defined therein) (the **Transfer Restrictions**):

1. Transfer Restrictions and Notice thereof. Each Purchaser acknowledges and agrees that (1) the Class A Notes have not been and will not be registered under the Securities Act and the Issuer has not been registered as an “investment company” under the Investment Company Act, (2) neither the Class A Notes nor any beneficial interest in the Class A Notes may be re-offered, resold, pledged or otherwise transferred except in a transaction in which the transferee is not a U.S. person and is acquiring the Class A Notes or a beneficial interest in the Class A Notes outside the United States in compliance with Rules 903 and 904 of Regulation S under the Securities Act and (3) the Purchaser will notify any transferee of such transfer restrictions and that each subsequent holder will be required to notify any subsequent transferee of such Class A Notes of such transfer restrictions.
2. Legends on Global Note. Each Purchaser acknowledges that each Global Note will bear a legend substantially to the effect set out below and that the Issuer has covenanted in the Note Trust Deed not to remove such legend.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, AND THE ISSUER (AS DEFINED IN THE NOTE TRUST DEED) HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**). BY PURCHASING OR OTHERWISE ACQUIRING THIS NOTE OR A BENEFICIAL INTEREST IN THIS NOTE, EACH OWNER OF SUCH NOTE OR BENEFICIAL INTEREST WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO THE CLASS A NOTES THAT IT (I) IS LOCATED OUTSIDE THE UNITED STATES AND (II) IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, AND IS ACQUIRING THIS NOTE OR A BENEFICIAL INTEREST IN THIS NOTE IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT. NEITHER THIS NOTE NOR A BENEFICIAL INTEREST IN THIS NOTE MAY BE RE-OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN A TRANSACTION IN WHICH THE TRANSFEE (1) IS LOCATED OUTSIDE THE UNITED STATES AND (2) IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT AND IS ACQUIRING THIS NOTE OR A BENEFICIAL INTEREST IN

THIS NOTE IN COMPLIANCE WITH RULE 903 AND 904 OF REGULATION S UNDER THE SECURITIES ACT.

3. Mandatory Transfer/Redemption. Each Purchaser acknowledges and agrees that in the event that at any time the Issuer determines (or is notified by a person acting on behalf of the Issuer) that such Purchaser was in breach, at the time given or deemed to be given, of any of the representations or agreements set out above or otherwise determines that any transfer or other disposition of any Class A Notes would, in the sole determination of the Issuer, require the Issuer to register as an “investment company” under the provisions of the Investment Company Act, such purchase or other transfer will be void *ab initio* and will not be honoured by the Note Trustee. Accordingly, any such purported transferee or other holder will not be entitled to any rights as a Class A Noteholder and the Issuer will have the right, but not the obligation, to force the transfer of, or redeem, any such Class A Notes.

GENERAL INFORMATION

1. The issue of the Class A Notes was authorised by resolution of the board of directors of the Issuer passed on 18 December 2014.
2. It is expected that admission of the Class A Notes to the Official List of the Irish Stock Exchange and to trading on the Main Securities Market will be granted on or about the Closing Date, subject only to the issue of the Global Note. The listing of the Class A Notes will be cancelled if the Global Note is not issued. Secondary transactions will normally be effected for settlement in sterling and for delivery on the third working day after the day of the transaction.
3. The Global Note has been accepted for clearance through Euroclear and Clearstream, Luxembourg as set out under “Description of the Class A Notes”.
4. The 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), since the date of its incorporation, which may have, or have had, since the date of its incorporation, significant effects on the Issuer’s financial position or profitability.
5. Copies of the following documents (and any amendments thereto from time to time) may be inspected by the Class A Noteholders or other parties in physical/electronic form during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the specified offices of the Principal Paying Agent for the term of the Class A Notes, for so long as any Class A Notes are listed on the Irish Stock Exchange:
 - (a) the memorandum and articles of association of the Issuer;
 - (b) the Note Trust Deed;
 - (c) the Issuer Deed of Charge;
 - (d) the Servicing Agreement;
 - (e) the Cash Management Agreement;
 - (f) the Account Bank Agreement;
 - (g) the Corporate Services Agreement;
 - (h) the Agency Agreement;
 - (i) the Master Definitions Schedule;
 - (j) the Partnership Agreement;
 - (k) the memorandum and articles of association of the General Partner;
 - (l) the audited financial statements of the Borrower and the General Partner for the years ending 31 December 2012 and 31 December 2013; and
 - (m) the OC Valuation.

6. The Note Trust Deed and the Issuer Deed of Charge will provide that the Note Trustee and the Issuer Security Trustee may rely on reports or other information from professional advisers or other experts (whether addressed to or obtained by the Issuer, the Note Trustee, the Issuer Security Trustee or any other person) in accordance with the provisions of the Note Trust Deed and the Issuer Deed of Charge, respectively, whether or not such report or other information contains any monetary or other limit on the liability of the relevant professional adviser or expert.
7. Except as is outlined in this Offering Circular, the Issuer does not intend to provide any post-issuance information in relation to the Class A Notes.
8. The language of this Offering Circular is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Offering Circular.
9. No website referred to in this Offering Circular forms part of this Offering Circular for the purposes of the listing of the Class A Notes on the Irish Stock Exchange.
10. Servicer Quarterly Reports, Issuer Cash Manager Quarterly Reports and other notices to the Class A Noteholders and the Class B Lender will be made available for review at www.usbank.com/abs.
11. The total of fees and expenses relating to the application for admission of the Class A Notes to trading on the Main Securities Market is expected to be approximately £5,292.
12. Walkers Listing & Support Services Ltd. is acting solely in its capacity as listing agent for the Issuer in relation to the Class A Notes and is not itself seeking admission of the Class A Notes to the Official List of the Irish Stock Exchange or to trading on the Main Securities Market for the purposes of the Prospectus Directive.

APPENDIX 1
OC VALUATION

Report & Valuation

Project Maple



12 December 2014

Ref: WEVA325257/IM/EMCS

Ian Malden
E: imalden@savills.com
DL: +44 (0) 20 7409 8894

- (1) **Morgan Stanley & Co. International plc**; and
- (2) **Mount Street Loan Solutions LLP** as Agent for the Lenders under (and as such terms are defined in) a facility agreement dated 30 May 2014 between The Mall Partnership, Mount Street Loan Solutions LLP and Morgan Stanley Bank, NA (as amended and restated from time to time).
- (3) **Zephyrus (European Loan Conduit No. 30) plc**

33 Margaret Street
London W1G 0JD
T: +44 (0) 20 7499 8644
savills.com

Dear Sirs,

BORROWER: THE MALL LIMITED PARTNERSHIP
PROPERTIES: PROJECT MAPLE – A PORTFOLIO OF SIX UK SHOPPING CENTRES

In accordance with the instructions as confirmed in our letter to Morgan Stanley & Co. International plc dated 17 October 2014 we are instructed to provide you with a valuation of the Properties as at 25 March 2014 for the purpose of inclusion in an Offering Circular in relation to the securitisation of a loan. We draw your attention to our accompanying OC Valuation together with the General Assumptions and Conditions upon which our Valuation has been prepared, details of which are provided at the rear of our report (the "OC Valuation")

Savills accepts responsibility for the OC Valuation which is contained in this Offering Circular only. To the best of the knowledge and belief of Savills (having taken reasonable care to ensure that such is the case), the information contained in the OC Valuation is, as at the date of the OC Valuation (and based on a valuation date of 25 March 2014), in accordance with the facts and does not omit anything likely to affect the accuracy of such information. With the exception of the OC Valuation, Savills does not accept any liability in relation to the information contained in this Offering Circular or any other information provided by the Issuer or any other party in connection with the issue of the Notes.

Yours faithfully

For and on behalf of Savills Advisory Services Limited,

IAN MALDEN MRICS
RICS Registered Valuer
Director

EDWARD SHAKESPEARE MRICS
RICS Registered Valuer
Director

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills Advisory Services Limited. Chartered Surveyors. Regulated by RICS. A subsidiary of Savills plc. Registered in England No. 06215875
Registered office: 33 Margaret Street, London, W1G 0JD

Report & Valuation

Project Maple





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1. Instructions

1.1. OC Valuation Disclaimer

Savills does not have any material interest in the Issuer or any member of the Group.

Savills (i) has given and has not withdrawn its written consent both to the inclusion in this Offering Circular of the OC Valuation and to references to the OC Valuation in the form and context in which they appear, and (ii) has authorised and accepts responsibility for the contents of those sections of this Offering Circular only. Furthermore Savills has provided confirmation that it has not been informed or has been made aware of any material change in any matter relating to the Properties since 25 March 2014 which would have a significant effect on the OC Valuation.

Prospective investors should be aware that the OC Valuation is based on a valuation date of 25 March 2014, over eight months prior to the date of this Offering Circular. Savills has not been requested to update or revise any of the information contained therein, nor will it be asked to do so prior to the issue of the Notes. Accordingly, the information included in the OC Valuation may not reflect the current physical, economic, competitive, market or other conditions with respect to the Properties. None of the Borrower, any member of the Group, Morgan Stanley & Co. International plc as Arranger and Lead Manager, the Original Lender, the Loan Seller, the Original Lender, the Servicer, the Special Servicer, the Issuer Cash Manager, the Note Trustee, the Issuer Security Trustee, the Loan Security Agent, the Loan Facility Agent, the Corporate Services Provider, the Principal Paying Agent, the Agent Bank, the Account Bank or the Registrar are responsible for the information contained in the OC Valuation.

The information contained in the OC Valuation must be considered together with all of the information contained elsewhere in this Offering Circular, including without limitation, the statements made in the section entitled "Risk Factors – Considerations relating to the Properties – Limitations of valuations". All of the information contained in the OC Valuation is subject to the same limitations, qualifications and restrictions contained in the other portions of the Offering Circular. Prospective investors are strongly urged to read this Offering Circular in its entirety prior to considering this OC Valuation.

1.2. Instructions and Basis of Valuation

We are instructed to provide our opinions of value as at 25 March 2014, on the following bases:

- The Market Value of the freehold / long leasehold interests, as appropriate, subject to and with the benefit of the existing leases ("Investment Value"); and
- The Market Rent ("MR").

1.3. Specific and General Assumptions, and Conditions

All our valuations have been carried out on the basis of various specific assumptions, pertinent to the investment characteristics of each property and fairly reflected in the reported opinions of value. In addition our valuations are subject to the General Assumptions and Conditions set out in the relevant section towards the rear of this report. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us.

1.4. Date of Valuation

Our opinions of value are as at 25 March 2014 (over eight months prior to the date of this OC Valuation). The importance of the date of valuation must be stressed as property values can change over a relatively short period. We have not taken any action to review or to update the valuations contained in this OC Valuation since 25 March 2014.

The market commentaries and all other comments throughout this report are as at the valuation date (being 25 March 2014).

1.5. Definitions of Market Value and Market Rent

In undertaking our valuations, we have adopted the RICS definitions of Market Value and Market Rent, as detailed below:

Valuation Standard VS 4 1.2 of the Red Book defines Market Value (MV) as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Valuation Standard VS 4 1.3 of the Red Book defines Market Rent (MR) as:

“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

1.6. Purpose of Valuations

You instruct us that our valuations are required to assist in consideration of the issuance of £199,666,000 of Class A Notes by the Issuer and the drawdown of a £25,000,000 Class B Loan by the Issuer in connection with the securitisation of a five year loan to the Borrower in order to refinance the properties.

Although we comment on the suitability of the Properties as loan security, we do so generally and not in the context of these specific loan terms as we are not qualified to do so.

1.7. Independence

The total fees, including the fee for this assignment, earned by Savills (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.

1.8. Conflicts of Interest

Savills are retained by the Borrower as the joint letting agent in respect of the shopping centres at Camberley and Wood Green. With this exception we do not have any other involvement with the Properties. We are not aware of any conflict of interest, either with the Properties or with the Borrower, preventing us from providing you with an independent valuation of the Properties in accordance with the RICS Red Book. We have acted as External Valuers, as defined in the Red Book.

1.9. Valuer Details and Inspection

Owing to the size of the portfolio, some 11 valuers have been involved in the valuation. The valuation has been managed and overseen by Ian Malden MRICS and Edward Shakespeare MRICS, joint signatories to this report.



The Properties have been inspected by the valuers detailed below between 24 and 28 March 2014. Extensive consultations have been undertaken with relevant agency and investment colleagues on a strictly confidential basis. Our inspections were subject to limitations and generally confined to publically accessible areas.

The valuers who have inspected the Properties are as follows:

Blackburn – inspected on 28 March 2014 by Catherine Walker MRICS, Associate Director, with the valuation overseen by Jonathan Langstaff MRICS, Director, both based in Manchester.

Camberley – inspected on 24 March 2014 by Edward Shakespeare MRICS, Director, Nina Rudarakanchana MRICS Associate Director and Emma Williams BSc (Hons).

Maidstone – inspected on 26 March 2014 by Sarah Fellows MRICS, Director.

Luton – inspected on 25 March 2014 by Andrew Skinner MRICS, Director, Adrian Gallagher MRICS, Director and Nicola Evans MRICS, Associate.

Walthamstow - inspected on 28 March 2014 by Charlotte Aschan MRICS, Director and Caroline Sawle MRICS, Associate Director.

Wood Green - inspected on 27 March 2014 by Charlotte Aschan MRICS, Director and Caroline Sawle MRICS, Associate Director.

All those valuers involved in Project Maple have MRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with PS 3.7, we confirm that the aforementioned individuals have sufficient current local and national knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.10. Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are stated in the sections below. We do not accept responsibility for any errors or omissions in the information or documentation provided to us nor for any consequence that may flow from such errors or omissions.

1.11. Tenure

We were provided with Certificates on Title, prepared by the Borrower's legal advisor in respect of the six Properties and we have considered the six Properties in light of the tenure and tenure matters set out in the Certificates of Title. The Certificates on Title considered were as follows:

Property	Certificate on Title prepared by	Certificate on Title reference
Blackburn	Nabarro LLP	PA/SES/M2844/02031/74625784v16
Camberley	Berwin Leighton Paisner LLP	34048599.8/NCAR/20452.01631
Luton	Berwin Leighton Paisner LLP	33970243.2/VM/20452.01630
Maidstone	Nabarro LLP	PA/SES/M2844/02032

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Property	Certificate on Title prepared by	Certificate on Title reference
Walthamstow	Olswang LLP	UK 16829178-11
Wood Green	Olswang LLP	UK 16924042-7

In addition, we were provided with a Project Maple final draft Real Estate Legal Diligence Review (reference LON29773211/87) prepared by Freshfields Bruckhaus Deringer LLP ("Freshfields") for Morgan Stanley & Co International PLC and Morgan Stanley Bank N.A..

We confirm that we reviewed the Certificates on Title and the Real Estate Legal Diligence Review and that all matters noted are reflected in our valuations, noted herein.

Details of title/tenure under which the Properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto.

Whilst we have had regard to information in the Certificates of Title in relation to deeds, leases or other documents, the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser. Please see our comments above detailing the information we have been provided with. We have conducted credit enquiries in respect of the key tenants in the centres and otherwise reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

1.12. Floor Areas

We have not measured the Properties but have relied upon the floor areas provided.

1.13. Environmental

We have been provided with Phase 1 Environmental Reviews provided by Environ dated February 2014.

We have not carried out any investigations into the past or present uses of the Properties nor of any neighbouring land in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

1.14. Repair and Condition

We have been provided with Technical Due Diligence Reports prepared by Tuffin Ferraby Taylor and we have reflected the results where material. We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used or are present in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.

1.15. Town Planning

We have made online and verbal Planning enquiries only. Information supplied to us by planning officers is given without liability on their part. We cannot, therefore, accept responsibility for incorrect information or for material omissions in the information supplied to us.

1.16. Liability Cap

Our aggregate liability to any one or more or all of the addressees of this OC Valuation or any other parties who are entitled to rely on this OC Valuation shall be limited to the lower of 33% of the Market Value of the Properties as stated in this OC Valuation and £100million. Nothing in this OC Valuation shall exclude any liability that cannot be excluded by law.

1.17. RICS Compliance

This OC Valuation has been prepared in accordance with Royal Institution of Chartered Surveyors' ("RICS") Valuation – Professional Standards January 2014 (the "RICS Red Book") published in November 2013 and effective from 1 January 2014, in particular in accordance with the requirements of VPS 3 entitled OC Valuations and VPGA 2 Valuations secured lending, as appropriate.

1.18. Verification

This OC Valuation contains many assumptions, some of a general and some of a specific nature. Our valuation is based upon certain information supplied to us by others. Some information we consider material may not have been provided to us.

We recommend that prospective investors satisfy themselves on all these points, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuations. Our valuations should not be relied upon pending this verification process

1.19. Confidentiality and Responsibility

Finally, in accordance with the recommendations of the RICS, we would state that this OC Valuation is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

2. The Properties

2.1. Overview

The portfolio comprises of six shopping centres located in England. Five of the centres are located in the South East region, these being Camberley, Luton, Maidstone, and two in the environs of London at Walthamstow and Wood Green. The shopping centre lying outside of the South East is at Blackburn in the North West. The centres in the main form town Centre dominant schemes, which form good secondary quality schemes in the context of the UK shopping centre investment market.

The Properties present various asset management opportunities and it is proposed that the Properties will be retained as income producing investments with the Borrower pursuing the range of asset management opportunities in the short to medium term.

2.2. Property Details

The schemes are substantial and occupy town centre locations with an aggregate site area in the order of 57.60 acres (23.35 hectares) and generate a current gross income in the order of £56.60M per annum.

We summarise the six Properties as follows:

2.2.1. The Mall Blackburn, 25 Church Street, Blackburn BB1 5AF



The Mall, Blackburn

- Town centre dominant scheme
- Developed in the 1960's with refurbishments and extensions since with the most recent extension in 2010
- Long leasehold tenure - 129 years unexpired at a head rent of £1.185M per annum, a gearing of 12.19% (15.80% in respect of the car park)
- Anchored by Debenhams, Primark and BHS
- Gross rent of £10.37M per annum with a WAULT of 14 years 5 months and WAUTC of 13 years 11 months
- Net Operating Income of £8.297M per annum

Key Facts

2.2.2. The Mall Camberley, The Square, Camberley, Surrey GU15 3SL



The Mall, Camberley

- Town centre dominant scheme
- Developed in the late 1960's and extensively refurbished in the late 1980's with further land and buildings acquired
- Part freehold part long leasehold tenure - 124 years unexpired at a head rent of £220,000 per annum reflecting a gearing of 5.0%
- Anchored by Boots, TKMaxx and Superdrug along with, in part, House of Fraser and Primark.
- Gross rent of £6.075M per annum with a WAULT of 4 years 6 months and WAUTC of 5 years 10 months
- Net Operating Income of £8.297M per annum

Key Facts

2.2.3. The Mall, Luton GU15 3SL



The Mall, Luton

- Regional town centre dominant scheme of circa 900,000 sq ft (83,612 sq m)
- Developed in 1970 and extensively refurbished in the 1990's
- Part freehold part long leasehold tenure – 133 years unexpired at a head rent of £1.314M per annum reflecting a gearing of 9.60%% (10.0% in respect of the car park)
- Anchored by Debenhams, Marks & Spencer and Boots
- Gross rent of £15.259M per annum with a WAULT of 10 years and WAUTC of 9 years
- Net Operating Income of £13.021M per annum

Key Facts

2.2.4. The Mall Maidstone, Pads Hill, Maidstone, Kent ME15 6AT



The Mall, Maidstone

- Town centre dominant scheme of circa 454,000 sq ft (42,178sq m) with further office space of 80,000 sq ft (7,432 sq m)
- Developed / opened in 1980 Extended in 1982 and refurbished in the 1990's
- Freehold
- Anchored by BHS, Boots, Wilkinson and SportsDirect, former TJHughes department store currently vacant
- Gross rent of £6.75M per annum with a WAULT of 10 years 4 months and WAUTC of 9 years 9 months
- Net Operating Income of £5.408M per annum

Key Facts

2.2.5. The Mall Walthamstow, 45 Selborne Walk, Walthamstow, London E17 7JR



The Mall, Luton

- A London borough town centre dominant scheme of circa 243,864 sq ft (22,655 sq m), developed in the late 1980's and opened in 1988
- Leasehold – 99 years unexpired at a head rent of £623,233 per annum, a gearing of 11.523%% (excluding the car park)
- Anchored by Asda, BHS and MSUs occupied by Boots, Poundland, Waterstones and Peacocks
- Gross rent of £5.814M per annum with a WAULT of 7 years 4 months and WAUTC of 6 years 8 months.
- Net Operating Income of £4.935M per annum

Key Facts

2.2.6. The Mall Wood Green, 159 High Road, London N22 6YQ



- A London borough town centre dominant scheme of circa 553,496 sq ft (51,420 sq m), developed in 1977 extended in 1980 and refurbished in 2000
- Freehold
- Anchored by Primark, TKMaxx and cinema leisure offer let to Cine UK Limited
- Gross rent of £11.719M per annum with a WAULT of 7 years 8 months and WAUTC of 6 years 2 months
- Net Operating Income of £11.276M per annum

The Mall, Wood Green

Key Facts

2.3. Tenure

Two of the six Properties are held freehold, two on a part freehold and part long leasehold basis and the remaining two on an entirely long leasehold basis. The aggregate ground rent payable is in the order of £3.342M per annum, as summarised as follows:

Property	Tenure	Current Ground Rent per annum
Blackburn	Long Leasehold	£1.185M
Camberley	Part Freehold and Part Long Leasehold	£0.220M
Luton	Part Freehold and Part Long Leasehold	£1.314M
Maidstone	Freehold	-
Walthamstow	Long Leasehold	£0.623M
Wood Green	Freehold	-
Total		£3.342M

2.4. Occupational Leases

The six Properties produce an aggregate current gross income in the order of £56.60M per annum, which reduces to a net income of circa £48.13M per annum once head rent and landlords irrecoverable expenses are accounted for.

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We summarise the aggregate gross and net income as follows:

Property	Gross Income	Percentage of Gross Income	Net Income	Percentage of Net Income
Blackburn	£10,982,970	19.40%	£8,254,000	17.15%
Camberley	£6,075,350	10.73%	£5,234,484	10.88%
Luton	£15,259,998	26.96%	£13,021,475	27.06%
Maidstone	£6,749,517	11.92%	£5,407,675	11.24%
Walthamstow	£5,814,099	10.27%	£4,935,368	10.25%
Wood Green	£11,719,157	20.70%	£11,276,183	23.43%
Total	£56,601,091	100.00%	£48,129,185	100.00%

Some £23.70M per annum, or 42.0%, of the gross income derived from the portfolio of £56.60M per annum is payable by 30 tenants, many of who are represented in most if not all of the six chopping centres. These occupiers / tenants include many of the UK leading retail chains.

3. Macro Economic And Property Market Overview

The following market overviews and commentaries are provided as at the valuation date (being 25 March 2014). We have not taken any steps to review or to update the information set out below since 25 March 2014.

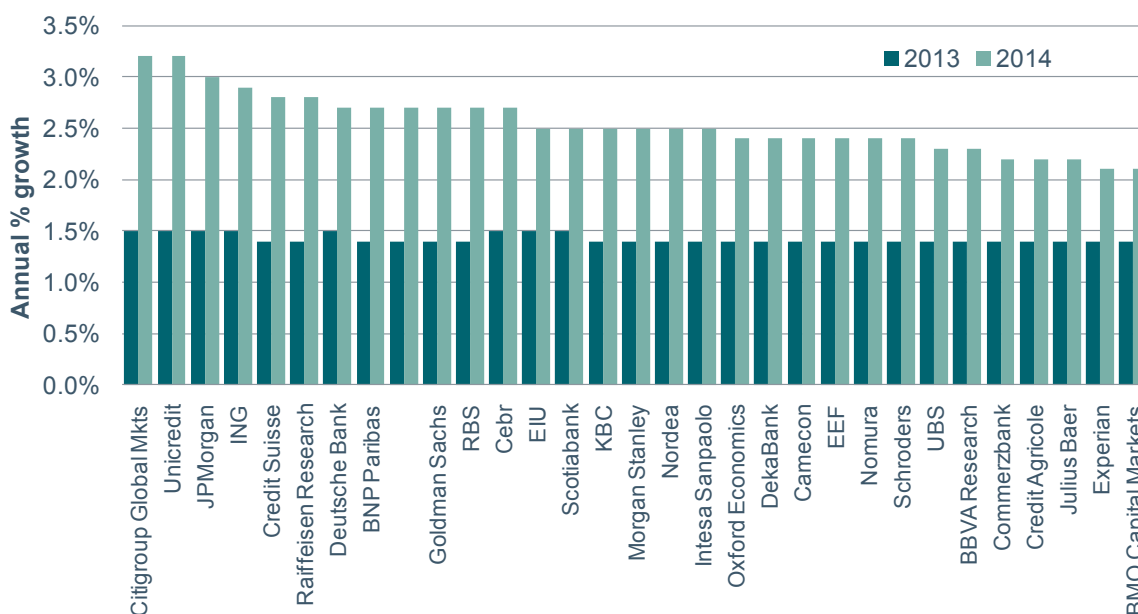
3.1. UK Economic Overview

In the fourth quarter of 2013, GDP expanded 0.7% just below the 0.8% growth reported the previous quarter. Compared to the same quarter in 2012 GDP expanded by 2.8%. On an annual basis this points to a growth of 1.9%, the fastest rate of annual growth since Q108. Output increased in three of the four main industrial groupings within the economy in Q4 2013 compared with Q3 2013. Output increased by 0.5% in agriculture, 0.7% in production and 0.8% in services. However, output decreased by 0.3% in construction.

The Office for Budget Responsibility (OBR) revised upwards its forecast for 2013 in its December Economic and Fiscal Outlook Report to 1.4% up from 0.6%. Based on Q4 performance it looks like final year end growth will be in excess of this. The OBR's outlook for 2014 has also been revised upwards from 1.8% to 2.4% although they expect quarterly growth to slow during 2014 and then to pick up again during 2015. As a result the macroeconomic outlook looks more comfortable than it was six months ago.

Focus Economics latest consensus forecast is in line with that of the OBR with 1.4% expected for 2013 with 2.5% forecast for 2014. The chart below details the individual GDP forecast survey responses.

Economic growth consensus forecast



Source: Focus Economics (February 2014)

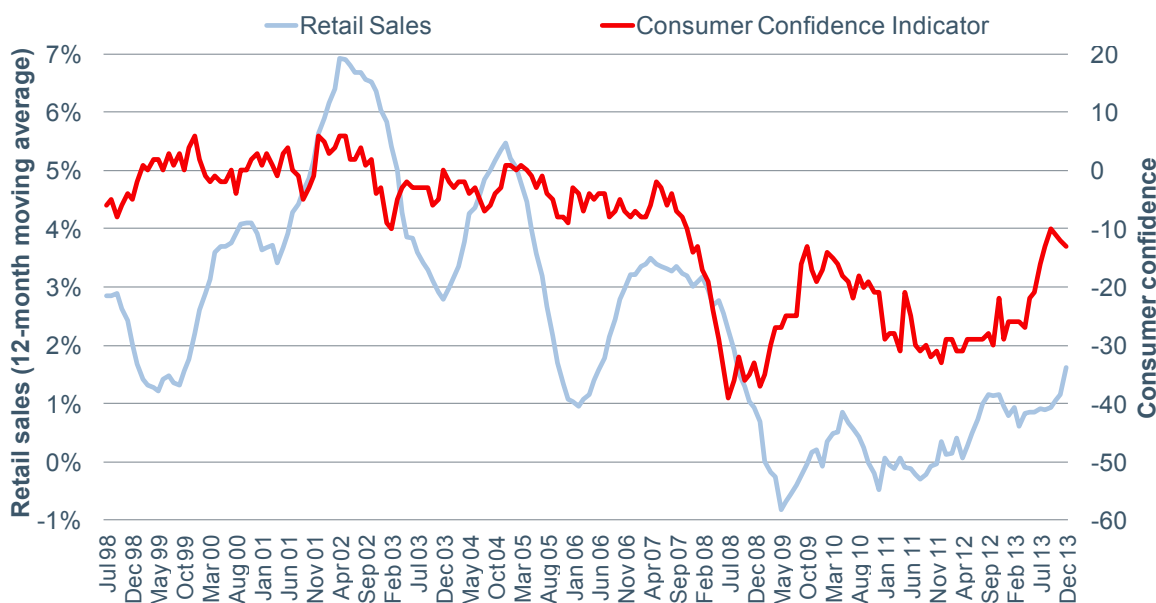


The recovery in business investment was reasonably firm in 2013, despite remaining below the long term average. It is reasonable to expect the recent improvement in GDP will strengthen corporate confidence and should encourage firms to release their accumulated cash surpluses for investment projects and recruitment. This release of capital will be a key driver of employment growth which will have knock on benefits in terms of consumer spending and in term GDP performance.

The GfK index of consumer confidence reflects people’s views on their financial position and the general economic situation over the past year and their expectations for the next 12 months (including whether now is a good time to make major purchases), a score below zero signifies negative views of the economy. In December, the GfK NOP consumer confidence index fell by one point to -13 on the back of a previous fall in November. This points to some uncertainty in confidence following a strong upward improvement seen earlier in the year. However, we expect that confidence levels should improve going forward on the back of the stronger than expected GDP growth seen last year, although negative news flow surrounding energy and living costs may temper some of this.

Despite the marginal decline in consumer confidence seen on the lead up to Christmas retail spend saw a marked improvement. On a rolling 12-month average spend was up 1.6% in December, its highest rate since September 2008. Performance for the Christmas alone was ahead of analyst expectations although retailers Christmas trading statements were a mixed bag. The stronger than expected growth in the economy last year should underpin further sales growth going forward into 2014 in line with confidence improvements.

Consumer confidence and retail sales



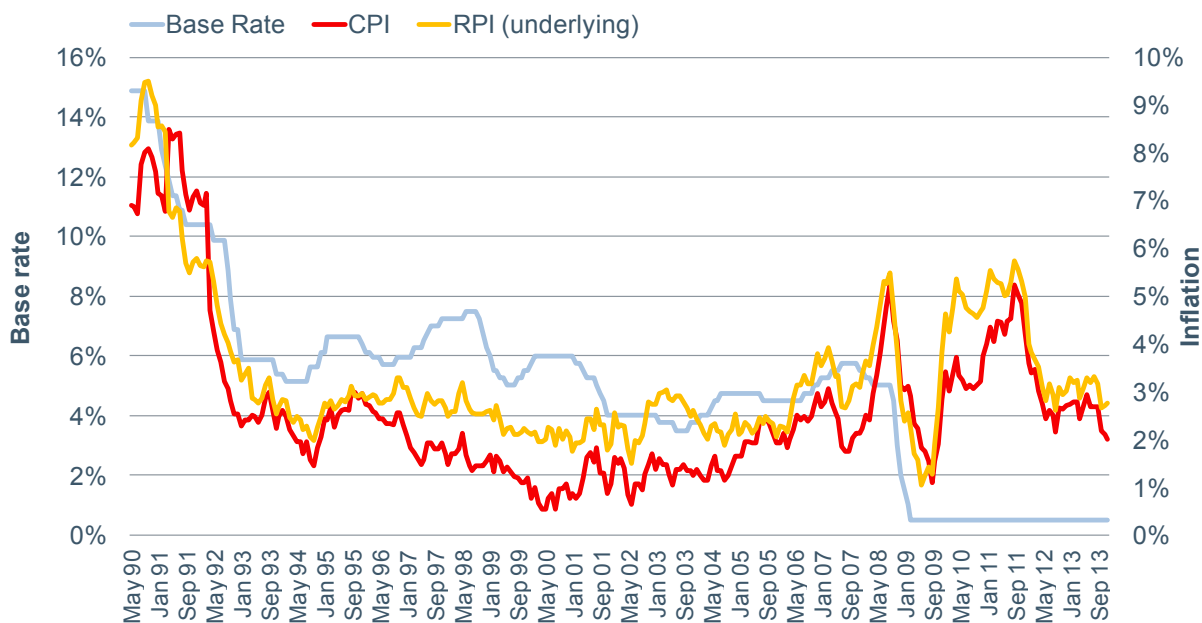
Source: Office for National Statistics / GfK NOP



In December, the year on year CPI measure of inflation fell nine basis points (bps), compared to the previous month, to 2.0% bringing it in line with the Bank of England target. Price pressures seem to be subsiding with no sign of nominal wages over-reacting to falling unemployment; other price pressures also appear to be in line with the Bank of England's inflation expectations remaining stable. Consensus forecasts from Focus Economics point to a further slowing in inflation with forecasts for 2014 indicating 2.3%, down from the 2.6% forecast for 2013.

The Bank Rate remains unchanged at 0.5% with the timing of the first increase not expected until late 2015. Despite the unemployment rate reaching close to the 7% threshold set by the Bank of England the Monetary Policy Committee (MPC) has stated there is no immediate need for a tightening of policy. The latest minutes showed that all MPC members were agreed on maintaining rates at 0.5% and they made clear that there is no prospect of a rate rise in the near future. They went on further to note that raising interest rates too soon, before real wages have begun to improve and growth has broadened out, could risk choking off the fragile consumer-led recovery. Expectations are that future increases, when they come, will be gradual and slow.

UK base rents and inflation



Source: Bank of England / Office for National Statistics / GfK

3.2. UK Commercial Property Market Overview

3.2.1. Occupational Market Overview

3.2.1.1. Retail and Leisure

Consumer sentiment is at the highest level for at least six years. This is driven by the improving business environment and falling unemployment. Sales in UK High Street shops have grown strongly since last February, rising at their fastest pace since June 2012, according to a CBI survey. Overall sales have been remarkably resilient in the face of disruption from the exceptional weather across the UK, which has badly affected many families and businesses. The latest data shows that high-street footfall declined by 0.6 per cent year-on-year as consumers preferred to shop at out-of-town locations and shopping centres. Monthly figures from the BRC/Springboard Monitor, which records over 60 million footfall counts per week in the UK, showed high street footfall dropped 2.7 per cent over the busy November 2013 – January 2014 period, yet overall footfall rose 1.6 per cent - its strongest showing since December 2011.

We expect 2014 to see a continuation of the trends that were seen in retailing in 2013, with a highly fragmented market between prime locations (central London & Tier one town and cities), secondary markets (where rents are correcting downwards to a sensible floor), and tertiary markets where structural change is still redrawing the local retail offer. There is increasing evidence that an economic recovery is underway as the GB shop vacancy rate fell to 13.9% in December for the first time in over three years. The data, collected by the Local Data Company (LDC) across 2,700 towns, cities, retail parks and shopping centres, found the vacancy rate dropped from 14.1 per cent in November last year.

3.2.1.2. Offices

The UK financial services job growth has hit its fastest rate since 2007, with companies estimated to have hired an extra 10,000 staff in the quarter to December according to data from CBI and PriceWaterhouseCoopers (PwC). The survey points to a further 15,000 positions hired in Q1 2014, which would be the fastest growth since the study began in 1989. Services Survey sees the industry's recovery reaching new heights. Strong growth in activity is driving up profitability, and headcount is climbing fast. Confident forecasts for customer demand are encouraging firms to invest for growth. Strengthening competition and the march of regulation are a concern, but so too is the war for talent. Buoyed by growing demand, financial companies are allowing their costs to rise. Overall levels of headcount are reported to be climbing by the strongest balance of respondents since 2006. Strong demand for skilled employees means that scarcity of professional staff is becoming an increasing barrier to expansion. Across the key UK cities, take-up of office space is expected to increase by 14% during the course of this year. As the business environment improves, demand for office space will increase to cater for new corporate acquisitions and new employment.

3.2.1.3. Industrial

For the distribution warehouse market, take-up totalled 19.50M sq ft (1.81M sq m) for 2013, which was broadly in-line with the 5-year average of 20M sq ft (1.86M sq m). Despite over 19.0M sq ft (1.77M sq m) being transacted in the year, a number of occupiers delayed decisions, as the lack of good quality space in key locations impacted on take-up numbers. So far 2014 has seen a pause in take-up, but there are still plenty of requirements in the market, with the retailers leading the way. The food retailers, the likes of Asda, Sainsbury's and Waitrose, all continue to be active in satisfying their dark store requirements, particularly around London and the South East. We expect Ocado to progress acquisitions in the South and North West for between 400,000 and 600,000 sq ft (37,161 and 55,741 sq m) in the first half of 2014.



Rental growth in the industrial sector is back on the agenda. With a clear link between UK GDP and rental growth it is anticipated rents will remain closely correlated with the anticipated pick-up in economic growth. A clear sign of rental growth is the hardening of incentives by landlords and this will be a key trend over the next twelve months

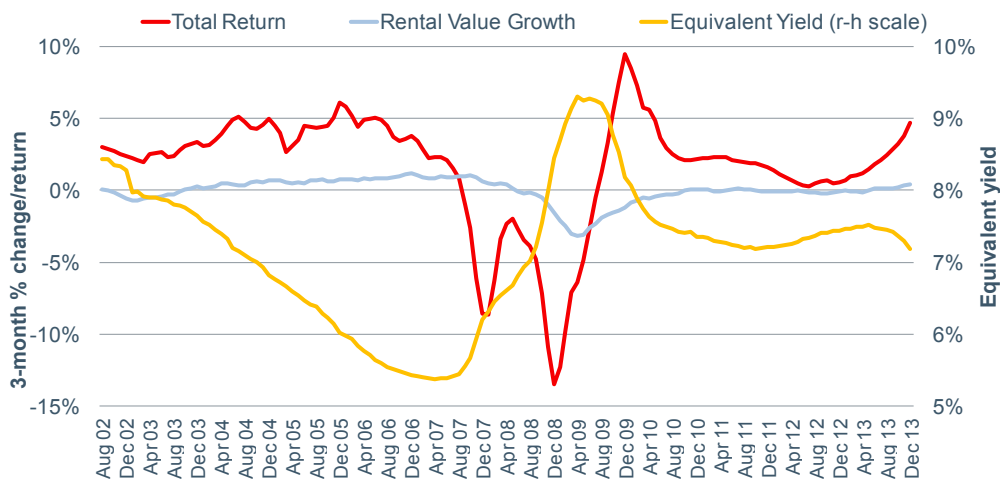
3.2.2. Investment Market Overview

Investment Property Databank (IPD) is the leading authority on property market performance. The annual, quarterly and monthly indices for the UK provide the most comprehensive assessment of the performance and characteristics of the property market. The indices are valuation-based, but do reflect a certain degree of transactional information. As at end-2012, the annual index comprises 20,456 properties with a value of £148Bn. capital value (average property equal to £7.20M). A year previous, the index consisted of 21,000 properties with a capital value of £140.3 billion (average property equal to £6.70M). The latest annual index reported a 3.4% total return for UK property during 2012. The monthly index comprises 3,300 properties and a capital value of £31.40Bn. Overall, the UK investible commercial property market has an estimated capital value of around £560 Bn.

As shown in the figure below the All Property rental growth remains relatively flat, seeing a very marginal increase on a three-month basis of 0.4%. Following a slowdown in total returns in the latter part of 2012, total returns are now showing an upward trend moving from 1.9% in June to 4.7% in December on a three-month basis helped by a return in capital growth and steady growth in income returns. This increase in capital values has been accompanied by a fall in equivalent yields, which has come in by 30 basis points since June to 7.2%.

Prime markets have seen yields fall, with those in London seeing significant downward shifts. This is leading some investors, such as the UK institutions, to increasingly look outside London for opportunities although the focus remains strongly on Prime. However, the yield gap between prime and secondary property is luring some investors to look at secondary assets particularly those which offer asset management opportunities.

All Property performance

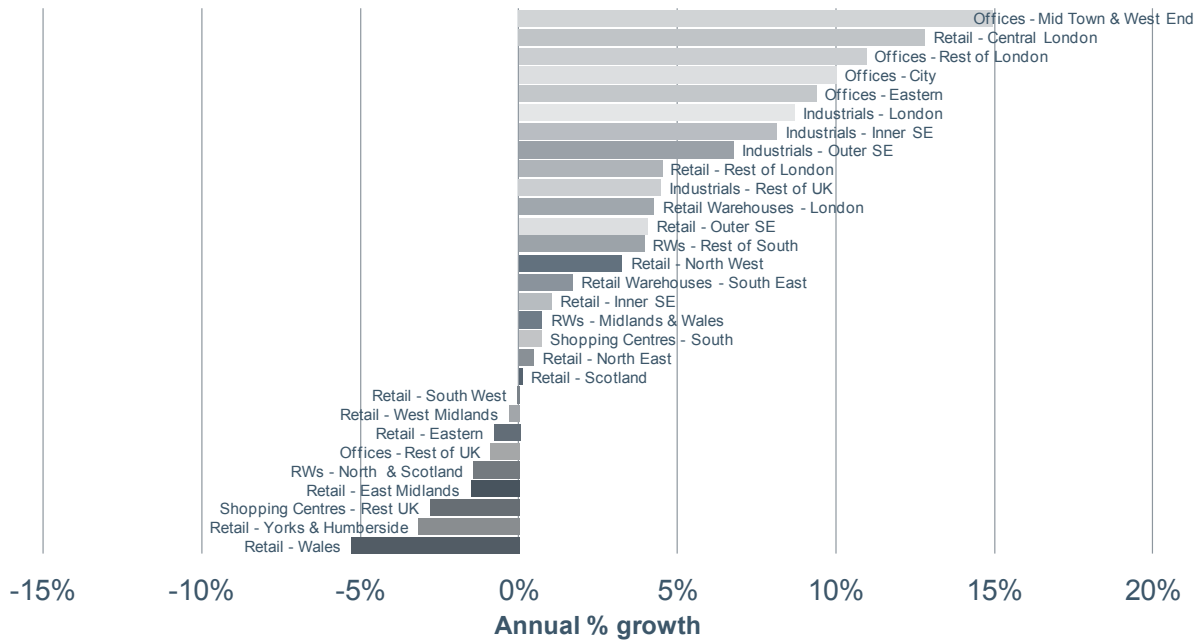


Source: IPD



The continuing positive impact of London and the South East on All Property capital growth can be seen in most sectors. The retail sector dominates the negative growth rates. Central London and the South East in general, dominate the positive growth figure over the past 12 months.

Sector capital value growth – 12 months to end January 2014

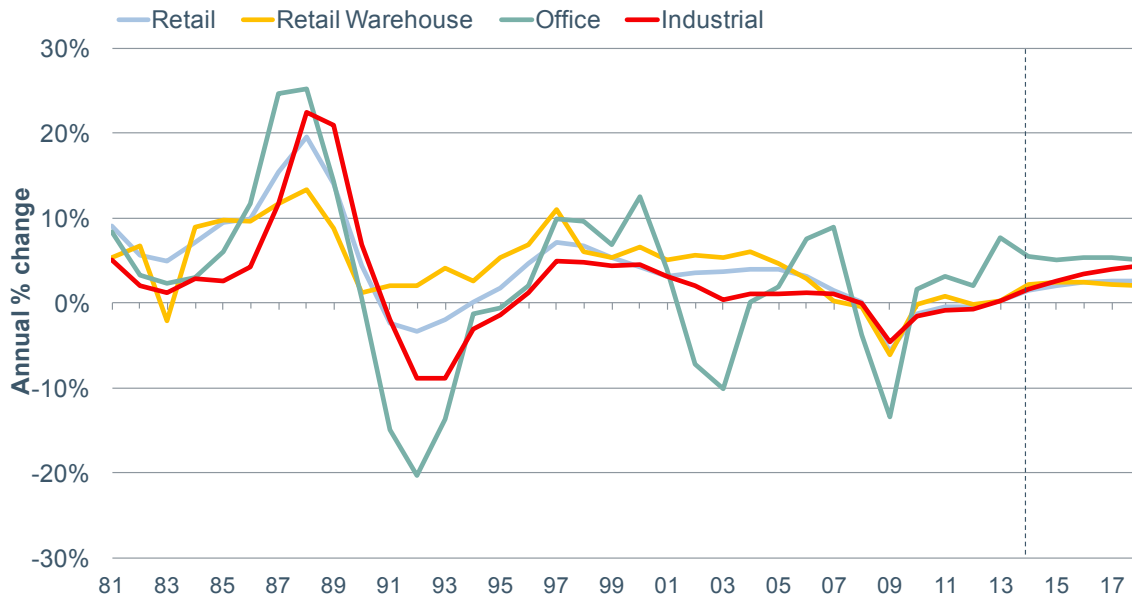


Source Investment Property Databank

At a sector level the figure below presents the annual data for rental value growth with forecasts to 2018. All sectors saw an improvement in rental growth last year with offices leading the way buoyed by the strong growth seen in Central London.

The latest forecasts from IPD, below, presents the varying trends going forward. Offices are expected to lead with average growth in rents of 5.3% per annum over the next five years followed by Industrial with 3.2%, the remaining headline sectors range from 2.2% to 2.3% per annum.

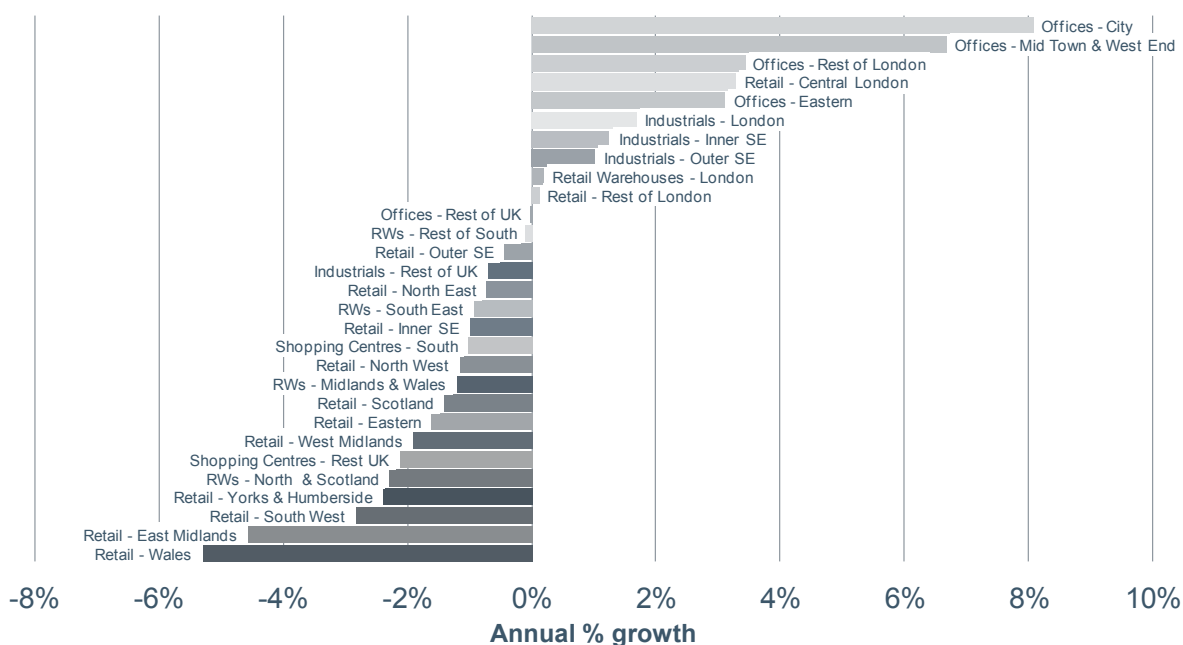
Outlook for UK rental value growth



Source: IPD

The chart below presents the latest year-on-year rental growth data for the sub-sectors of the IPD Index. Central London and the South East have provided all of the growth in the last 12 months with offices and retail in central London being the biggest contributors by far. The industrial markets in the South East have shown positive growth during the past 12 months.

Rental value growth - 12 months to end January 2014

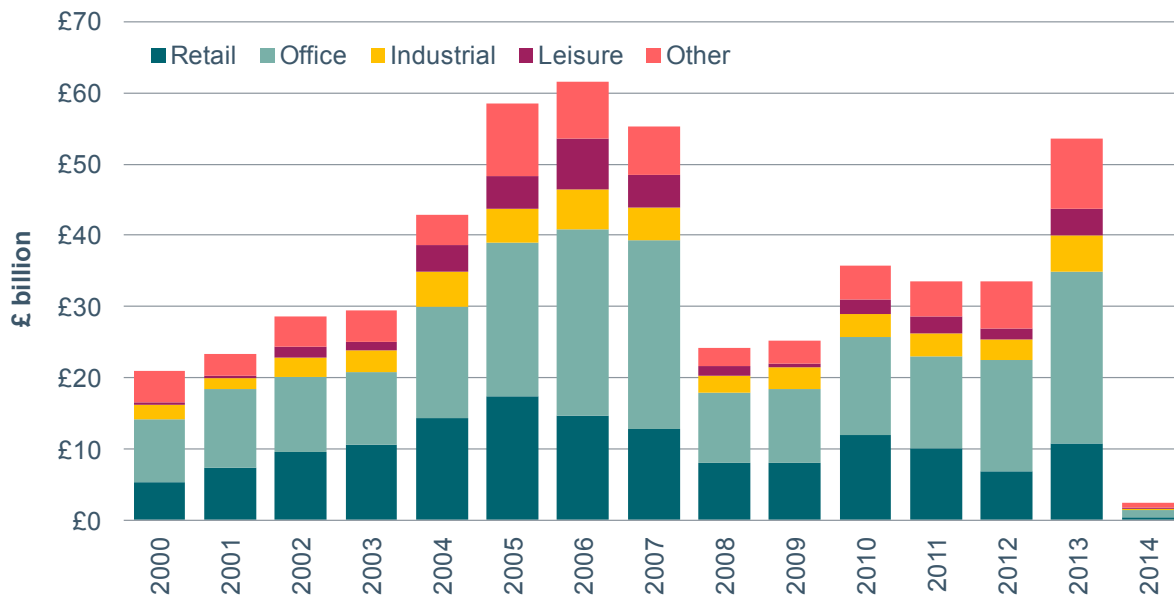


Source: Investment Property Databank

3.2.2.1. Outlook and Benchmark Yields

The level of investment in 2013 surprised most commentators. At the end of the third quarter, it was generally accepted that investment volumes would reach £38bn for the year. In total, this swelled to nearly £55bn, which was a 60% increase over the year. Overseas investors accounted for 47% of the 2013 total followed by UK institutions accounting for 27%. The largest sellers were also overseas investors, but only a 34% share, so overall they were net purchasers of UK property.

UK Real Estate Investment by Sector



Source: Property Data

In terms of sectors, offices dominated investment accounting for 40% of the total amount invested. As seen in the recent past, this is driven by the weight of money chasing Central London office stock.

In the UK, there is a general shortage of stock across all sectors. There is a general view that the market may quieten down (in terms of depth of buyers as opposed to prices) towards the end of this year as the general election nears and uncertainty increases given that one political party is anticipated to dominate.

For high street retail, funds were very keen to sell in the second half of 2013, but are holding back a bit now, perhaps in the hope of better finance becoming available. For shopping centres, not much stock but lot of potential buyers across the spectrum, with more institutions looking at and bidding on stock which has traditionally been of more interest to the property companies.

The London and South East office sector remains the major target for funds. At present, not many UK funds are without requirements, with the weight of money leading to higher lot size requirements and greater interest in good secondary stock. Within the regional office market, there is very little stock and masses of demand. Investors looking to the regions due to the yield arbitrage over London. The West End office market has very little stock where some overseas investors have to buy and that is driving up prices. The occupational side continues to improve and vacancy rates are low. The City of London office market has more stock and more UK institutional activity around than in the West End.

The UK distribution warehouse was the best performing IPD sector in 2013 and there is very high demand. This is partly driven by the yield on offer and the role of distribution warehouses within the retail market. Online shopping is driving the rationalisation of retailers' warehouse portfolios.

Savills Prime Equivalent Yields

	February 2013	January 2014	February 2014	Annual change (bps)
West End Offices	3.50%	3.25%	3.25%	-25
City Offices	4.75%	4.75%	4.75%	0
Offices M25	6.25%	5.75%	5.75%	-50
Provincial Offices	6.25%	5.75%	5.75%	-50
High Street Retail	4.75%	4.50%	4.50%	-25
Shopping Centres	5.00%	5.00%	5.00%	0
Retail Warehouse (Open A1)	5.25%	4.75%	4.75%	-50
Retail Warehouse (Restricted)	6.00%	5.50%	5.50%	-50
Foodstores	4.50%	4.25%	4.25%	-25
Industrial Distribution	6.25%	5.75%	5.75%	-50
Industrial Multi-let	6.00%	5.75%	5.75%	-25
Leisure Parks	6.25%	6.00%	6.00%	-25
Regional Hotels	7.00%	6.75%	6.75%	-25

Source: Savills

Over the past few years, the continuing trend in the investment market has been a polarisation between prime and secondary stock, with a 'flight to quality' among investors seeking good quality buildings let to strong covenants for long unexpired terms. In the last six months of 2012, the market for secondary office investments was particularly weak. The prevalence of short leases, limited occupational demand and downward pressure on rents meant that few investors were willing to invest in secondary office properties, and those properties which did transact did so at high initial yields, often in excess of 15%.

In the secondary and tertiary markets stock selection is key and where debt finance is sought providers remain risk-averse, particularly away from prime property and core markets, however over the course of months of 2013 there has been a marked improvement in yields for most secondary properties. This is not so much a result of a change in the fundamentals of the occupational market, which remain fragile in many areas and sectors, but a product of the weight of money seeking to invest in the UK property market.

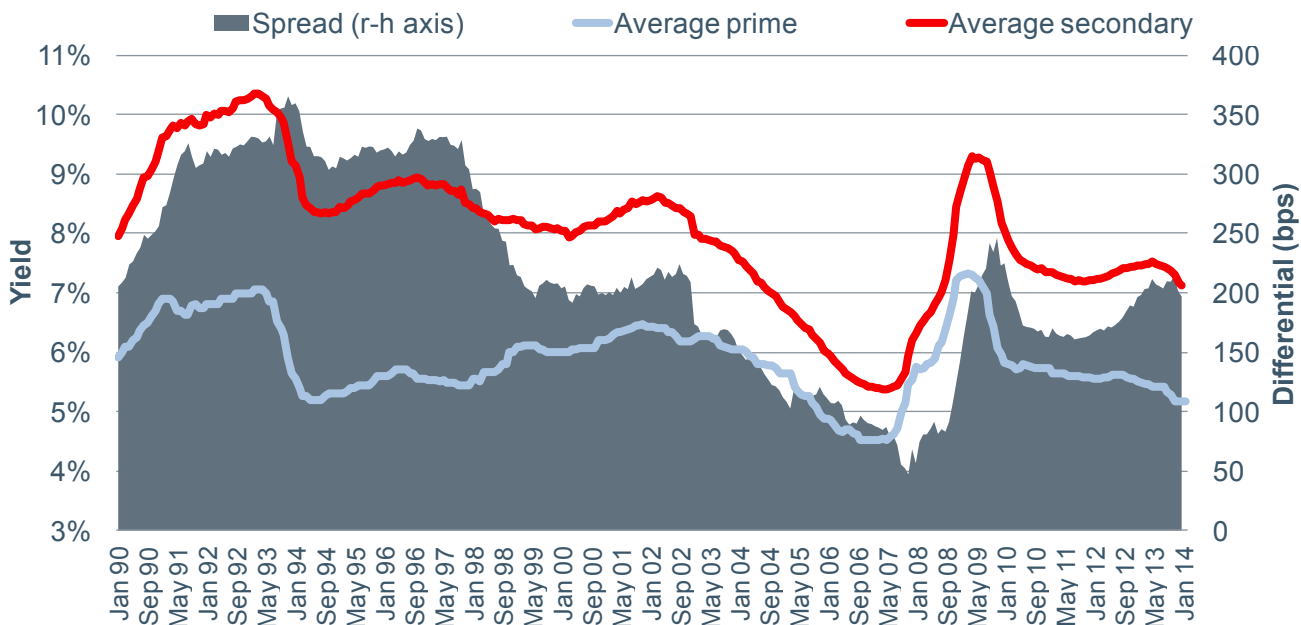
There is a relatively limited supply of prime stock and as a result a number of investors – particularly property companies and opportunity funds – are willing to invest in the more secondary markets. These investors are looking for good secondary stock where yields are more attractive, and which represent an opportunity to actively manage the asset. Such secondary investments are typically those which have shorter unexpired terms but, by the nature of the market in which they are located, offer good re-letting and future rental growth prospects when the pace and extent of economy recovery strengthens. This increase in demand for good secondary stock has had an effect on pricing, and yields are beginning to move in for the 'better' secondary properties.



The market for poorer quality secondary or “tertiary” properties remains thin and yields for these types of assets remain at stubbornly “high” levels as such properties are characterised by rising vacancy rates, rising void costs, weak occupier demand, tenant failures, short unexpired leases, and the need to incur long-overdue capital expenditure. Purchasers of this type of property need to be cash-buyers because of the lack of material debt finance available for these most risky assets, at least as a single asset loan or transaction versus a portfolio. The value of these assets depend upon the true net rental income from the property and the sustainability of that income.

There is no recognised “benchmark” for secondary property yields because, unlike “prime” assets, the quality of secondary properties varies very considerably between good secondary to poor secondary / tertiary. IPD’s “average” initial and equivalent yield data is perhaps the best proxy for secondary property yields. As the graph below shows throughout 2012 the yield spread between secondary and prime yields increased from around 160 bps to in excess of 200bps, but with the continuation in the tightening in the investment market there has been a modest contraction in this yield gap and further hardening can be anticipated over in the short term.

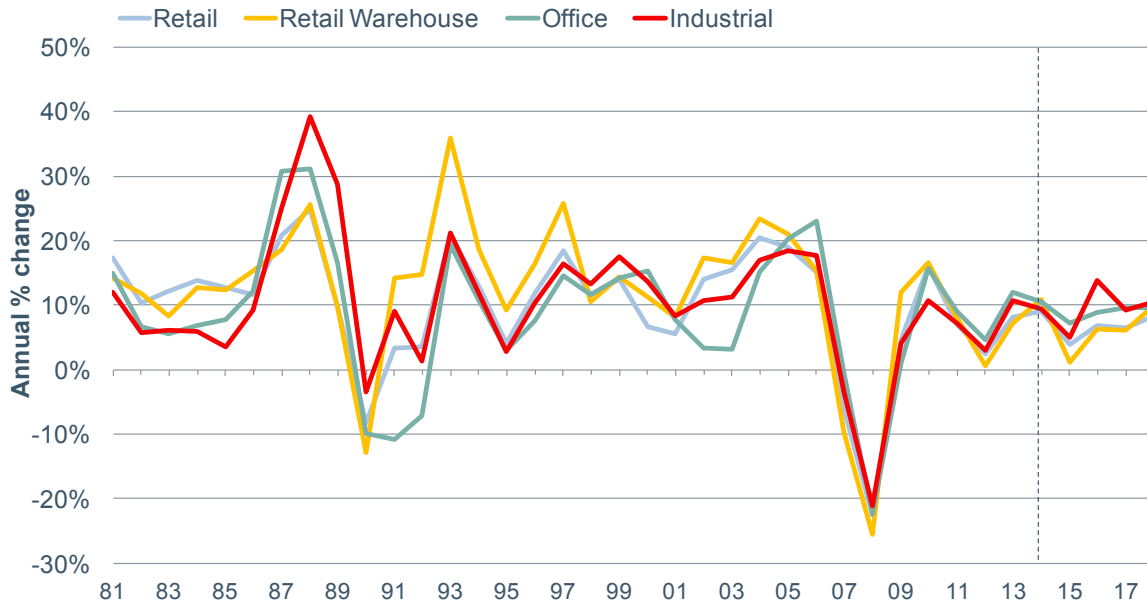
IPD Prime and Average Secondary Yield Spread



Source: IPD

All sectors saw total returns bounce back in 2013 as capital value growth returned as did rental value growth for a number of sectors. This was led by Offices and Industrial which are estimated to have seen annual returns of 11.9% and 10.7% respectively. On an average annual basis through to 2018, industrial is expected to outperform delivering total returns of 9.6% per annum driven by strong income returns. Offices are also forecast to deliver strong returns over the same period of 9.1% per annum.

Outlook for UK total returns



Source: IPD

3.3. Key Themes for UK Real Estate in 2014

Savills' Research forecasts that during 2014 the UK real estate market will see a broader-based recovery than was seen in 2012 and 2013. Occupier and investor confidence will improve in line with the economic recovery, and market performance will be typical of the second stage of a recovery – albeit a slightly weaker recovery than we have seen coming out of previous cycles.

Risk-averse investors, both domestic and international, will continue to be attracted to prime residential, agricultural and commercial assets and locations. However, 2014 will also see increasing investor interest in some secondary markets where the recovery is about to begin, and capital value growth prospects are improving.

3.3.1. Growth story

2014 will also see the beginnings of the return of the domestic buyer to the UK real estate market, as home buyers and institutions regain their confidence in the economic outlook. In particular, we expect to see continued strong investor interest in residential property as a large-scale asset class.

Non-domestic investors will continue to remain heavily biased towards London real estate, reflecting its position as a globally recognised and highly liquid safe-haven. For the commercial and residential real-estate markets the growth story will no longer just be about London and the South East, with business and consumer confidence rippling outwards to the prime regional and sub-regional locations.

3.3.2. Risks

The biggest risks to the UK real estate market in 2014 are political and economic. If interest rates start to rise before the economy is recovering robustly, then the recovery will undoubtedly be delayed. Furthermore, too much pre-election tweaking of real estate related taxation could also damage the impending recovery.

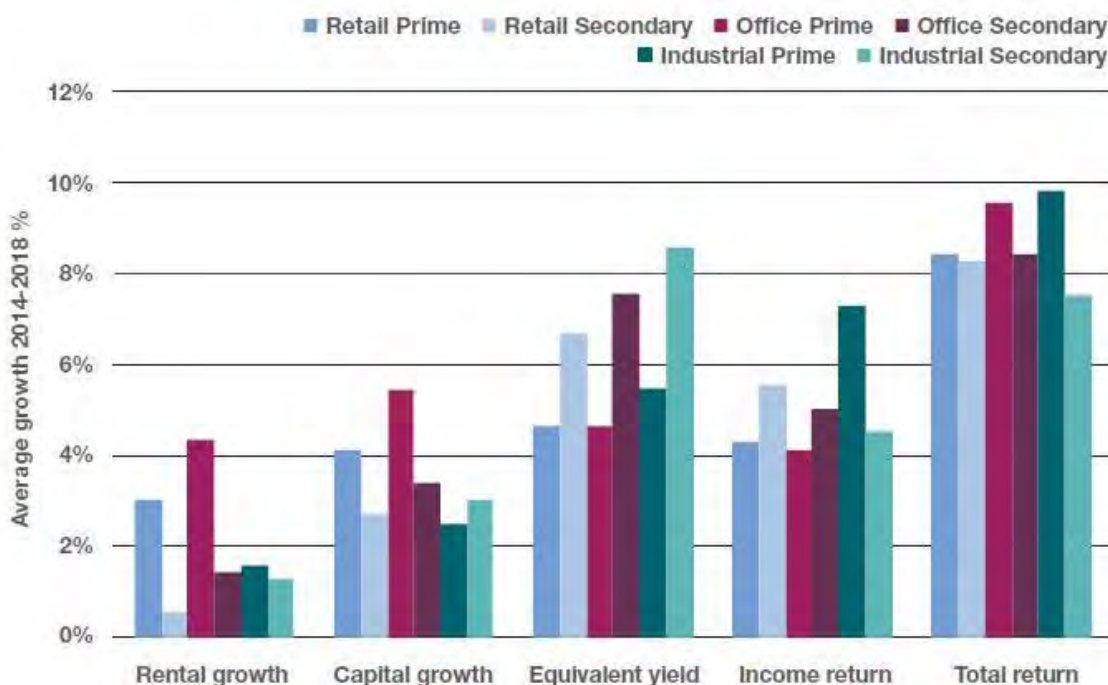
3.3.3. Commercial Real Estate

The major theme in the UK commercial property market in 2014 will be a more widespread recovery. 2013 saw a continued robust pick-up in tenant and investor demand for all types of commercial property in London, but we expect that 2014 will see this interest widening to cover the key regional cities, distribution hubs, and regional malls. This recovery will be driven by improving business confidence on the back of the better domestic and global economic outlook.

We expect debt markets to loosen slightly, although finance for speculative development and extensive refurbishment proposals along with tertiary investments will remain virtually non-existent outside London.

Risk-averse international investors will continue to be heavily biased towards the capital city, but some will be tempted to the regions by higher yields and less competition. The more risk-embracing investors will be looking to capitalise on the historically wide spread between London and regional yields, as well as the even wider spread between prime and secondary.

Outlook for Key Commercial Sectors



3.4. Retail Market

3.4.1. Consumer Economy

Consumer confidence took a slight downward turn in the run-up to Christmas. This was probably due to a mix of bearish headlines about how tough Christmas was going to be for retailers, the bad weather, and a degree of realism about real earnings growth.

British consumers should be feeling more positive with unemployment down to 7.1%, inflation expectations down to 2.4%, and base rates likely to remain low for the foreseeable future. However, real earnings growth remains stubbornly negative, with the latest data from the ONS showing that average weekly earnings are rising at 0.9% per annum, well behind the latest CPI figure of 2.0%.

The coalition Government's argument that real earnings growth is rising for "most" people is a touch optimistic, and we believe that it will not be until 2015 that most people are actually feeling that their real wage has risen year-on-year, let alone corrected the losses of the last six years.

However, 2014 will be a year of improving optimism and declining savings ratios. There will be more money spent on the nation's high streets, shopping centres (and on line), but confidence will remain fragile, and the recovery will be more of a choppy ripple outwards from London than a ubiquitous national bounceback.

3.5. Retail economy and operator overview - April 2014

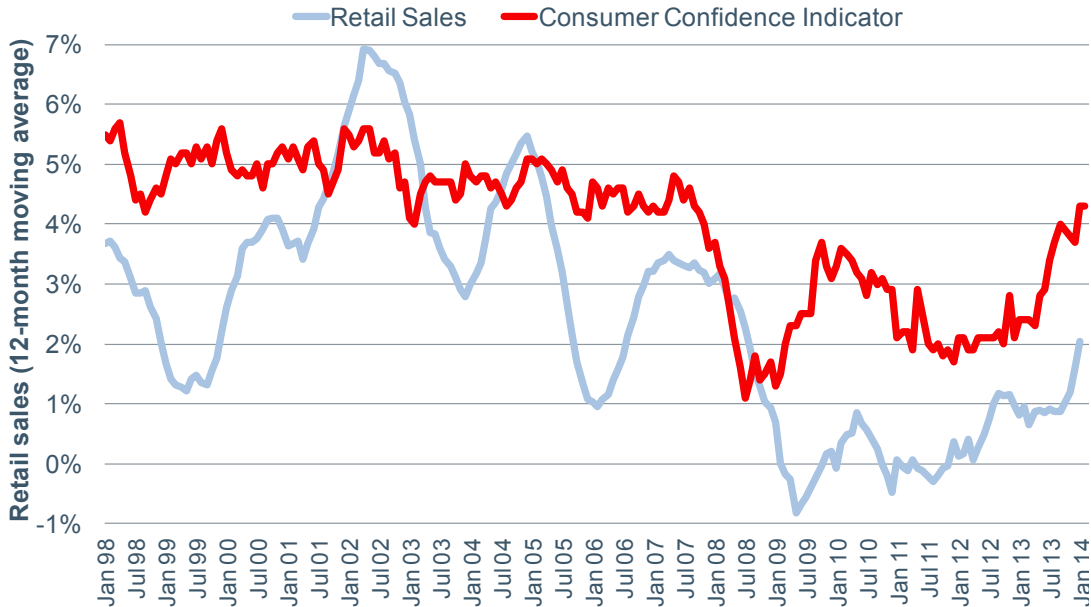
3.5.1. Retail Economy

The most significant recent economic trend that relates to retailing has been the steady improvement in consumer confidence since its record lows during the global financial crisis. Over the last three months consumer confidence has continued on its upward trend and is now back around the pre-Global Financial Crisis levels, albeit in negative territory still. The latest data for March shows that the confidence level has improved to -5, which is marginally better than the long run average for this index. Retail sales have also improved considerably during the past few months.

The latest data shows that retail sales grew by 2% based upon the 12-month average to end January 2014. The proportion of retail sales that are over the internet continues to rise, but the latest data from the ONS shows that internet sales still only account for 12% of total retail sales. However, this represents a threefold rise since 2007.



UK retail sales and consumer confidence

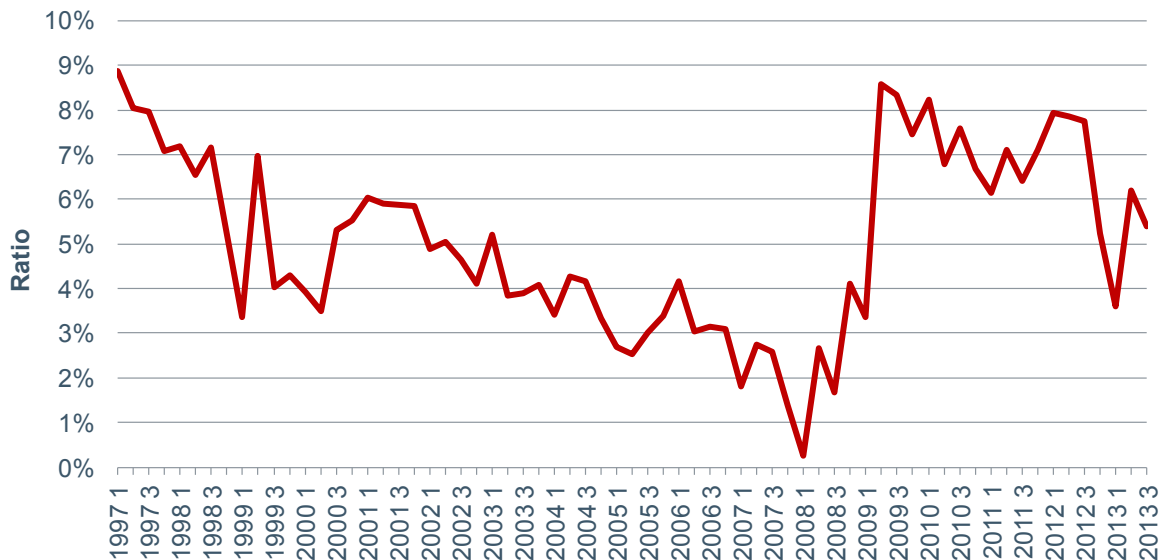


Source: Office for National Statistics / GfK

The UK savings ratio is broadly in-line with the 10-year average, but has fallen from the higher levels seen during the 2010 to 2012 period (a 6% to 8% band). As confidence returns to the business and consumer markets, it is likely that the ratio will show a continued downward trend, but it is hoped that it does not fall too low as personal financial stability and confidence is driven by a healthy level of savings. Furthermore, it is clear from the recent trend in the savings ratio that much of the pickup in spending has been driven by reductions in savings, which is an unsustainable driver for the medium term.



UK saving ratio



Source: Office for National Statistics

Future growth in retail spending will have to be driven by more than just reductions in savings, and this means the key metric to watch at present is the growth or otherwise in real average earnings. The UK consumer has been through a relatively unprecedented period of declines in real earnings, which has been driven by a combination of high inflation and low earnings growth. The recent declines in CPI, from over 3% per annum in 2012 to 1.7% at the end of February 2014, has definitely started to herald a more positive period ahead for real earnings growth. Indeed, with average earnings rising by 1.5% in 2013, the UK consumer should start to feel richer as soon as Easter 2014.

There are undoubtedly still challenges ahead for the consumer economy, with the bulk of public sector cuts still to be implemented, and the timing and pace of rises in the base rate still unclear. However, a real consumer recovery is undoubtedly underway, though the phasing of that recovery around the country will depend very heavily on the structure of individual regional and local economies. The latest forecasts for total household spending in the UK from Oxford Economics are for average annual growth at constant prices of 2.4% per annum over the next decade, significantly better than the 1.1% per annum that has been seen over the last ten years.

3.5.2. Retailer Trends

The primary story in the retailing sector over the last five years has been one of polarisation between retailer types and retailing locations. Luxury and value retailers have weathered the recession better than the mid-market, and prime pitches in strong trading towns and cities have remained relatively full in the face of a national story of rising retail void rates.

The final quarter of 2013 saw the now traditional speculation that the crucial Christmas and New Year trading period would be tough, but the outcome was positive with an average reported rise in like-for-like sales of 4.8%. More importantly, the number of retailers that commented positively on margin improvement was well up on the previous year, as was the spread of types of retailer who reported an improvement in sales.

The Christmas pick-up in trading is symptomatic of a trend that a number of retailers have commented on, where consumers are apparently saving up their discretionary spend for the key holiday periods. This is probably a reflection of the relative weakness in consumer confidence, and our retailer clients are generally reporting that this trend has continued in the first quarter of 2014. Generally, trading has been quiet over the first three months of this year with retailers suggesting that this is because spending is being delayed until the Easter weekend which is late this year. Easter, which has always been a hugely significant period for DIY and garden retailers, is shaping up to be equally important for clothing and other general merchandise operators.

The most acquisitive segment of the market remains the convenience store operators, with continued expansion by Sainsburys and Tesco being added to by Morrison's desire for significant growth in London and the South, and newer concepts such as Boots' non pharmaceutical based convenience store offer.

There has been a wide spread of performance in the clothing and accessories sector in recent years, with higher end offers such as White Stuff, Jack Wills, Jigsaw, Radley and Joules all reporting strong growth in sales and planning further expansion. At the lower end of the scale Primark continue to expand, both opening new stores and looking to enlarge the size of their stores in existing trading locations. The mid-market remains challenging, with Marks and Spencer continuing to lose clothing market share. Indeed, its mid-market rival Next's market value now exceeds that of M&S and Debenhams combined. There have been a few notable recent withdrawals and failures in the clothing sector, with Gilly Hicks pulling out of the UK at the end of 2013, and Barratts shoes going into administration late last year.

Generally, the pace of administrations has slowed dramatically, with the only recent announcement being the collapse of homewares retailer Paul Simon. This retailer, who traded from 51 stores on retail warehouse parks, has blamed the recent floods for the poor trading that led to it entering administration.

Elsewhere in the homewares sector the story remains very mixed. The housing market recovery, particularly in terms of turnover, does appear to be filtering through into better trading for some retailers. Dunelm in particular reported a 9.2% rise in LFL sales in the run up to Christmas, and more recently a 5% increase in LFL's for the 13 week period ending 29th March 2014. Topps Tiles have also recently reported a rise in both sales and profits. However, this housing led recovery story is by no means ubiquitous, with Carpetright issuing a profits warning in March 2014. Indeed, Carpetright stated that they had "yet to see any benefit from an improving housing market".

The DIY retailers all appear to be hopeful of a fairly strong Easter, with Homebase recently announcing a 9% rise in LFL sales, and this would seem sustainable in connection with the beginnings of the housing market recovery.

The electricals sector, which had widely been perceived as the biggest casualty of the rise in internet sales after bookshops, has started to surprise on the upside. The most notable recent news from this segment of the market in recent months is the planned merger between Dixons and Carphone Warehouse, for which the Takeover Panel has recently extended the deadline. Elsewhere in this sector Vodafone has just announced plans to open a further 150 new stores across the UK, its largest capital investment programme since the firm was established in the 1980s. This will bring the company's total store numbers to 500, an expansion that is being driven by continued consumer demand for the latest iterations of smartphones and tablets, as well as a move away from sales through resellers and comparison stores.

Report & Valuation

Project Maple



Whilst all of the above comments about retailers and trading are fairly upbeat, the tough times are by no means over for many retailers. Indeed, many of the new store openings that are being announced are not net new openings, with retailers across all segments of the market continuing to rationalise their portfolios by closing poor-performing stores. Furthermore, a number of large retailers are looking to reduce operational costs, either by cutting headcount in their head offices, or by attempting to drive down distribution costs.

The latest research on store closures from PwC and the Local Data Company shows that shops are closing at a rate of 16 per day across Great Britain, though this is down from the 20 per day that was seen in 2012. Indeed, the PwC research states that the year-on-year net reduction in multiple stores has fallen by almost 80%. The research lists the top 10 business openings by classification as follows:

Classification	Net change %	Net change (units)
Mobile phones	23.93	157
Barbers	6.25	136
Beauty salons	6.54	107
Tattooing/piercing	11.74	89
Charity shops	13.71	88
Nail salons	8.25	87
Hair & beauty salons	4.90	83
Convenience stores	6.24	79
Restaurants and bars	8.13	78
Second hand shops	21.20	60

Source: PwC, Local Data Company

From the same research, the top 10 business closures by classification mix have been:

Classification	Net change %	Net change (units)
Women's clothes	-7.10	-140
Newsagents	-4.14	-75
Jewellers	-2.61	-62
Discount stores	-10.77	-56
Fashion shops	-2.21	-49
Shoe shops	-5.67	-48
Bars	-2.01	-47
Recruitment agencies	-5.31	-45
Public houses	-1.28	-44
Furniture shops	-5.04	-43

Source: PwC, Local Data Company

Interestingly, these figures hide some more recent changes, with several of the jewellers now back in a firmly expansionist phase. Furthermore, the relaxation of change of use from A1 to A2 has been met with significant interest from new and established financial services operators. For example, Metro Bank, Barclays and Lloyds banks are all currently looking for new banking hall premises. We also expect that the change to the pensions system that was announced in the Budget will lead to a sharp increase in the number of Independent Financial Advisors on the nation's high streets.



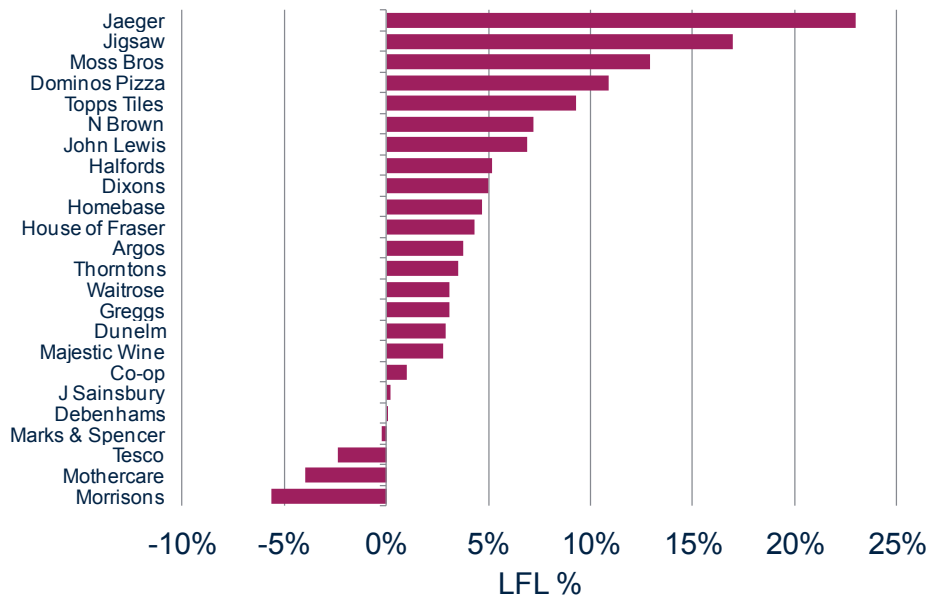
The trading environment for UK retailers will definitely continue to improve over the remainder of 2014 and into 2015. We expect that a combination of an improving housing market, and the return of real income growth will stimulate a pick-up in spending across most goods sectors. Retailers are rapidly adapting to the world of internet retail, and while this will mean that they need fewer shops, the average unit size that they require will rise. There will be further rationalisation of store portfolios to adapt to this new world of multi-channel retail, but the retailer demand to get into the best regional and sub-regional markets is already intensifying.

3.5.3. Retail Occupational Market

Q4 2013 saw a further pickup in retailer confidence and requirements, albeit tempered by a lack of suitable stock. This positivity continued into the crucial Christmas trading period (as we predicted in our last bulletin), with an average reported increase in like-for-like sales of 4.8%. While like-for-like sales data is a fairly blunt metric, it does indicate some degree of year-on-year improvement in sales. Furthermore, more retailers this year mentioned margins in the context of "maintaining" or "improving" them, which is probably a rather more significant change on 2012/13.

Our key takeaways from this Christmas and New Year are that there were fewer negative trading statements than last year; dramatically fewer administrations on the quarter day; and some hints that the housing market recovery may be starting to feed through into parts of the retail market. On the other side of the coin, the continued strong like-for-like growth of Dominos Pizza is an indication that consumers might still be in a relatively cautious frame of mind when it comes to leisure spend.

Christmas 2013 LFL Sales Figures



Source: Retailer statements

We expect 2014 to see a continuation of the trends that were seen in retailing in 2013, with a highly fragmented market between prime locations (central London & Tier one town and cities), secondary markets (where rents are correcting downwards to a sensible floor), and tertiary markets where structural change is still redrawing the local retail offer.



The key story in the central London retail market will be the challenge of creating voids. Not only will vacancy rates remain virtually zero, but it will be hard to get retailers out of their stores. We expect to see a pick-up in reverse premiums as new entrants try and create opportunities for themselves.

Where voids do occur in the prime markets, they will be welcomed by landlords as an opportunity to raise rents. For example, it is rumoured that the new tenant for the Gilly Hicks unit on Regent Street is paying £200,000 more than the outgoing tenant.

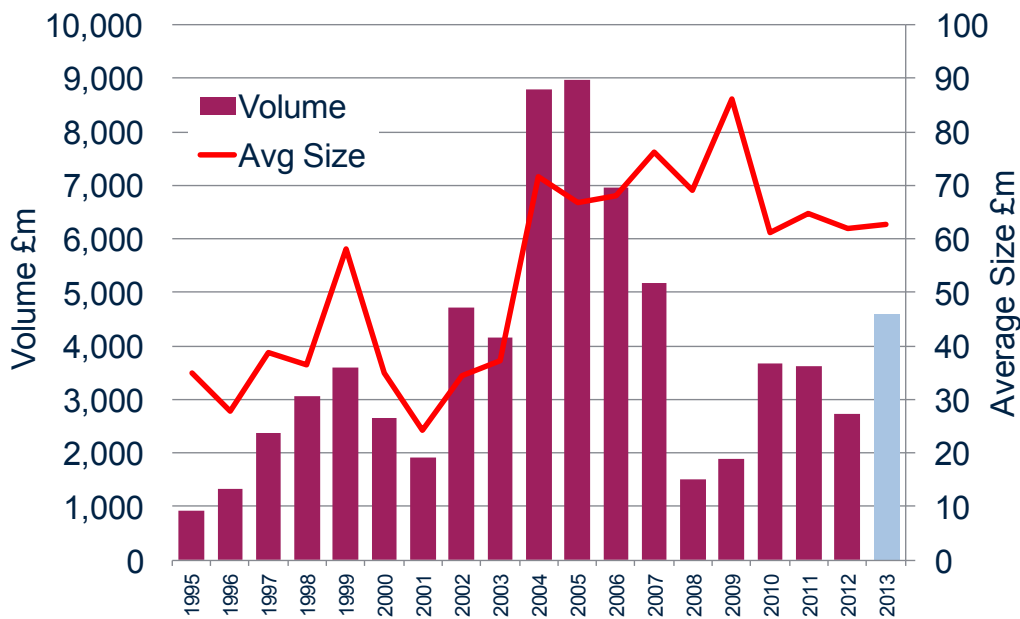
Prime central London's strength will benefit fringe locations, with strong retailer demand and growth expected in fringe markets such as Brompton Cross, Kings Road, and Piccadilly. It will also benefit prime regional and sub-regional centres, as new entrants to UK retailing grow in confidence and expand beyond their central London base. We expect to see further national acquisitions in 2014 by the US retailers in particular. Names to watch in this space will be American Eagle, J Crew, Anthropologie, Pottery Barn, West Elm and Victoria's Secret.

Elsewhere, the prospects will be mixed with retailer demand returning to locations where the demographics are right and the rents have rebased to a more affordable level.

3.6. Shopping Centres

The Shopping centre investment market witnessed a surge in activity in 2013. A total of 84 centres were transacted representing a capital value of £4.58Bn. This was a marked increase on the £2.7Bn traded in 2012. Interestingly average initial yields in Q4 2013 were 7.6% down from 8.94% in Q4 2012, reflecting the weight of capital attracted to the sector. The renewed level of investment activity has continued into 2014 with circa £1.90Bn of transactions already completed by the end of the first quarter.

Shopping Centre Investment Volume



Source: Savills

3.6.1. Transactional Activity

As noted, shopping centre investment transactions totalled £4.58Bn in 2013, up from £2.70Bn in 2012. Q4 2013 saw 21 transactions complete totalling £1.30Bn with an average capital value of £71.59M and an average initial yield of 7.6%, down from 8.4% in Quarter 3 and reflecting the weight of capital attracted to the sector. In total there were 84 sales recorded in 2013. Notable transactions in 2013 included:

- **The Bullring, Birmingham.** The Australian Sovereign Wealth Fund sold their 33% stake of the centre to a JV between Hammerson and CPP for £307 million, which represents a net initial yield of 5.30% (5.50% equivalent yield).
- **Queensgate Shopping Centre, Peterborough** acquired by Invesco for £202 million. This reflected a NIY of 6%.
- **St Enoch, Glasgow** which was sold to Blackstone and Sovereign Land for £189.15 million, representing a net initial yield of 7.50%.
- **Bon Accord and St Nicholas, Aberdeen**, which were marketed by British Land and Land Securities for £200 million and was sold to F&C REIT Asset Management for £189.0M, reflecting a net initial yield of 7.10%.
- **Centre MK, Milton Keynes.** A 50% stake was acquired by Henderson/ Australia-Super Fund for £260 million. This reflected a NIY of 5.4%.

Moving in to 2014, there have already been a number of notable transactions completed, and under offer including:

- Intu have completed a £867.8 million deal with Westfield that includes a 50% stake in Westfield Merry Hill in Dudley, West Midlands, Westfield Derby and Westfield's Sprucefield retail park in Northern Ireland. Merry Hill accounts for £407.7 million (5.2% initial) of the total deal price, Derby £390.3 million (6.89% initial) and Sprucefield £69.8 million (5.89% initial). The assets provide a combined rent roll of £54.9m.
- Orion Capital Manager have acquired Trinity Walk Shopping Centre in Wakefield from Ares and Sovereign Land for £150 million, reflecting a net initial yield of 6.7%.
- We would also highlight Intu is in talks to sell its Uxbridge shopping centre to a Malaysian investor. The 440,000 sq ft Chimes Mall is understood to be under offer to KWAP for more than £210 million.
- Sovereign Land and Ares Management have been named preferred bidders for Legal & General Property's stake in the £250 million retail-led regeneration of Bracknell town centre. They are in talks to buy a 50% share in the 580,000 sq ft scheme from a joint venture between L&G and Schroders. They beat competition from Lend Lease, Orion and Grosvenor.
- Legal & General Property has confirmed it has exchanged contracts to acquire the Overgate shopping centre in Dundee from Land Securities for £125.30M, reflecting a net initial yield of 7.36%. Overgate is the first acquisition made by UK PIF II.



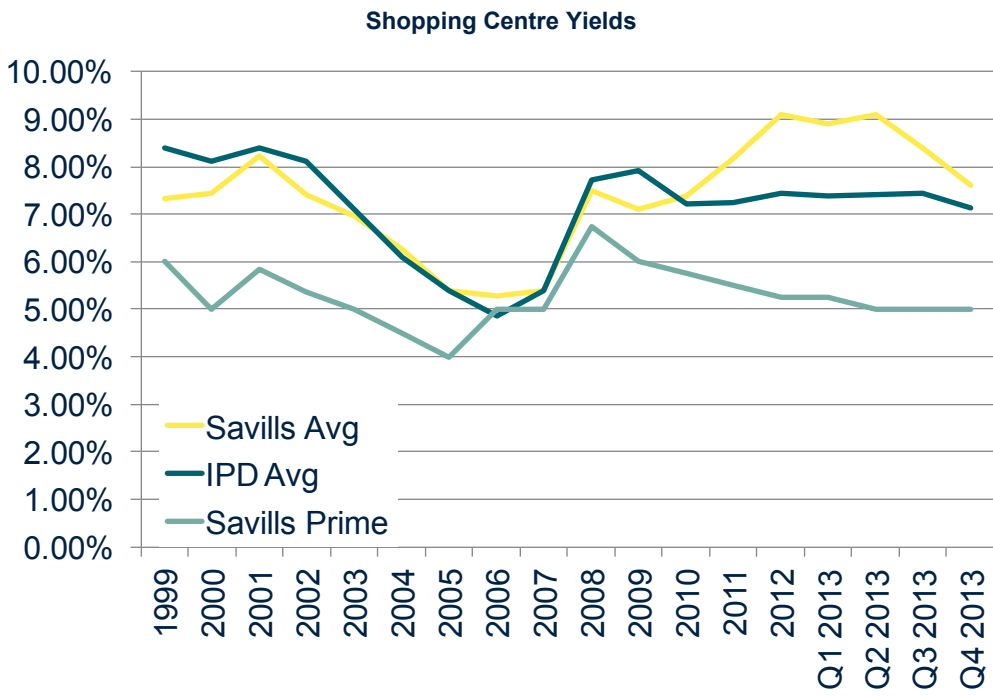
3.6.2. Investor Demand

The shopping centre market has witnessed new entrants into each of the subsectors on a monthly basis. This is especially true at the prime/ super prime end, where we predict further yield hardening due to the tight supply and weight of capital as markets polarise to prime / dominant assets. Such is the scarcity of stock at the prime end, we are now seeing the REITS and Sovereign Wealth Funds looking to acquire 50% passive stakes in joint venture positions which 12 months ago would not have been considered.

As Savills predicted 18 months ago the last 12 months has seen significant interest in strong town centre dominant centres with yields coming in circa 50-70 bps over the year. This area of the sector has been dominated by the opportunity funds and we expect this trend to continue through 2014.

Investment demand remains across the spectrum. As a consequence yields will harden across the range with now perhaps a hardening in the stronger secondary asset class. The secondary and tertiary markets still however remain difficult with pricing remaining at a significant discount to prime and for good reason. We would anticipate some inward yield shift through the year but only in the stronger secondary assets. Lease expiries, retailer portfolio rationalisations and the polarisation of occupational markets will continue to create challenges in this subsector.

The secondary and tertiary markets remain difficult with pricing remaining at a significant discount to prime and for good reason. We would anticipate some inward yield shift through the year but only in the stronger secondary assets. Lease expiries, retailer portfolio rationalisations and the polarisation of markets will continue to create challenges in this subsector.



Source: Savills

The active shopping centre investment requirements are from five broad categories of investors, namely, UK REITS, UK institutions, UK property companies, UK funds, and sovereign wealth funds/overseas investors. The UK REITS, in particular, have lowered their return criteria and we have seen strong bidding on prime shopping centres when these rarely available assets have been brought to the market.

The broad range of active investors in shopping centre market is highlighted below:

- **UK REITS**

There has also been a significant movement since the start of 2013 with a true 'flight to prime'. The requirements now for REITS are typically top 50 or even top 30 towns and there may even be a focus on the south east only. The UK REITS in particular have lowered their rate of return criteria and we have seen strong bidding on prime shopping centres when these have become available. The sale of Midsummer Place, Milton Keynes and Friary Centre, Guildford demonstrate the appetite from the REITS and UK institutions together with the levels at which they are prepared to pay to secure a prime and rarely available asset. Prime yields in the order of 5% minus are here for the foreseeable future.

- **UK Institutions**

As at Q3 2013, there were estimated to be in the order of 13 active requirements ranging from £25M to £300M. This shift in demand is having a profound effect on prime yields as has already been witnessed since the start of the year.

- **UK Property Companies**

With the improving debt markets comes the rise of the debt leveraged property companies. There are currently in the order of 25 active property companies in the market, the majority of whom are seeking yields of 7.5%+.

- **Opportunity Funds**

As with the property companies, this year has seen a huge rise in the amount of interest in the sector from the opportunity funds. Many of these have been seeking large loan portfolios but typically lot size targets range from £40M - £300M with geared returns of 15%- 20%.

- **Sovereign Wealth Funds**

We have seen an increasing number of active wealth funds in the market looking to acquire stakes with partners in the major shopping centre assets in the UK. The most active funds being CPP (Canada Pension Plan), EPF (Employees Provident Fund Of Malaysia), TIAA, Norges, and the Australian funds managed by Henderson.

The debt markets remain extremely active with competitive terms from a broad range of lenders, albeit this is predominantly focussed on the super prime, prime and Town centre dominant ends of the spectrum.

The majority of the lenders are becoming more and more focussed on a tighter group of "core borrowers". There is a much reduced pool of lenders for the secondary / tertiary assets and importantly with more stringent terms. Loan to values would typically be in the order of 50% with margins in the order of 350-400 bps.

3.6.3. Yields

The current strength and depth of investor demand is placing further downward pressure on yields for prime, near-prime and town centre dominant schemes, whilst secondary and tertiary yields continue to drift higher, as shown below:

Shopping Centre sub category	December 2012	June 2013	September 2013	December 2013	March 2014
Super Prime	5.00%	5.00%	5.00%	5.00%	5.00%
Prime	5.00%	5.25%	5.25%	5.25%	5.25%
Town Centre dominant	7.25%	7.50%	7.25%	7.25%	7.25%
Secondary	9.00%	9.00%	9.00%	9.00%	9.00%
Tertiary	14.00%	16.00%	15.00%	13.00%	13.00%

Source: Savills

Looking ahead, we can foresee an inward yield shift on the strong town centre dominant schemes which are currently in the order of 7.5% - 8.0% initial yield, and thus to the large extent many of the properties in the portfolio are well placed to improve in value in the short to medium term as the anticipated hardening in the investment yields is delivered. These assets will once again begin to look good value at the top end of the sector. For example, The Lanes Shopping Centre, Carlisle was acquired by F&C REIT Asset Management for 7.8% initial yield (£64M) last October and the Grosvenor Shopping Centre Portfolio was acquired for a net initial yield of 8.0% in February this year (£246M). At the other end of the spectrum yields remain stubbornly high as investors are mindful of the weak occupational markets within such centres with the need to account for the rebasing of rental tones and incentives packages / unrecovered costs at lease expiry.

4. Valuation Advice

4.1. Approach to Valuation

4.1.1. Overview

In arriving at our opinion of value of the Properties as at 25 March 2014 we have in the main adopted the investment method of valuation whereby we have adopted an “all risks” yield, be this a net initial yield or equivalent yield, having regard to comparable investment evidence and current market sentiment.

Key investment transactions to support our valuation are highlighted in the investment market commentary at Section 3.6.1 above. In respect of our opinion of rental value we have had regard to the rental evidence available within each centre.

In arriving at our valuations, we have made the following specific assumptions:

4.1.2. Voids and Non-Recoverable Costs

All non-recoverable expenditure (empty rates and service charge shortfalls) has been taken into account in analysing the current net rental income from the properties and is also reflected in our valuations.

Where there are current voids, we have allowed for an appropriate letting void and associated non-recoverable costs followed by re-letting at our opinion of Market Rent with appropriate tenant’s incentive package. The length of the assumed letting void and size of tenant’s incentive package is dependent on the size and condition of the retail unit / premises.

We have explicitly allowed for landlords void costs typically comprising of empty business rates for which the owner will be liable for when the property is vacant, unrecoverable service charge costs, and reletting fees. Such costs have generally been allowed for in the short to medium term as this is how most investors will formulate their bid for assets in today’s market. Income voids and void costs have a diminishing effect on value after say five years, albeit where the unit is a significant anchor store or MSU unit within the overall income profile of the respective centre we have carefully considered the potential income void and reletting assumptions at lease expiry.

4.1.3. Outstanding Rent Reviews/Lease Renewals

Where there are outstanding rent reviews or lease renewals, we have formed an opinion of the likely outcome having regard to prevailing rental evidence and the likely terms of the respective rent review clauses.

4.1.4. New Lettings

Where we are aware that Heads of Terms have been agreed with prospective tenants, we have generally assumed that these lettings will be completed on the terms agreed. Inevitably, there is an inherent risk that some of these agreed lettings may not complete for whatever reason but the likely impact of this on value is reduced in the case of the heavily multi-let properties.

4.1.5. Net Rental Income v Gross Rental Income

In arriving at our valuations, we have calculated the current “net” rental income from each property by deducting all non-recoverable expenditure and void costs.

We have valued each of the properties using Argus Investor software in which we have capitalised the net cash flow at an appropriate net initial or equivalent yields having regard to evidence of comparable investment transactions.

4.1.6. Capital Expenditure

Some of the properties have suffered from a lack of capital expenditure on routine maintenance and repairs in recent years and this has in many cases adversely affected the value and lettable of certain parts of the properties. In arriving at our valuations, we have attempted to reflect the current condition of the properties and, where appropriate, we have made a specific deduction for the estimated cost of outstanding repairs.

Where appropriate, we have estimated the likely cost of essential repairs and maintenance which we consider are necessary in order to enhance the lettable and value of the properties. In each case, we have valued the property on the assumption that these essential works have been completed.

4.1.7. Purchaser's Costs

In all cases, we have assumed purchaser's costs of 5.80%, commensurate with the UK investment market, comprising of Stamp Duty Land Tax (“SDLT”) at 4.0% of the purchase price / value, agent acquisition fees at 1.0% and legal acquisition fees of 0.50%. Therefore professional fees aggregate to 1.50% upon which VAT will be incurred at 20.0%.

4.1.8. Valuation Summary

As we summarise at 3.6.3 above shopping centre yields are currently within a spectrum of 5.0% to 13.0%++ with upwards and downwards yield shift within the range depending upon the key investment characteristics of the location and the respective shopping centre. The strongest yields are within the super prime category of shopping centre at 5.0% with prime centres marginally behind this at 5.25%. Thereafter there is an exponential softening of investment yields within the shopping centre sector as the property fundamentals of the centre weaken. In the tertiary sector, i.e. dated schemes in secondary and tertiary towns outside of the South East, which are not the dominant scheme in the town and where the retail amenity is poor, with substantial unrecovered costs owing to vacancies and where for example landlords capex is required to reinvigorate the scheme, then investors seek double digit initial yields.

However, none of the centres fall into this latter sector of the shopping centre market and the centres in the main form good quality shopping centres within their respective markets. Moreover, five of the six centres are located in the South East region and two of which can be considered, to a greater or lesser extent, as part of the London investment market, i.e. Walthamstow and Wood Green, with the centres in the South East being those at Camberley, Luton and Maidstone. The location of the properties is a key driver of value and supports yields towards the lower end of the scale. In the main the centres form good secondary centres as we detail below our valuations reflect net initial yields ranging between 5.75% and 7.37%, being the centres at Wood Green and Blackburn respectively.

4.2. Valuations

4.2.1. Current Market Rent

Having carefully considered the individual Properties, as described in this report, we are of the opinion that the aggregate headline Market Rent of the Properties, as at 25 March 2014, is in the order of:

£57,580,800

(FIFTY SEVEN MILLION FIVE HUNDRED AND EIGHTY THOUSAND EIGHT HUNDRED POUNDS PER ANNUM)

We summarise our opinions of Market Rent as follows:

Sub Appendix	Property	Market Rent per annum
1	Blackburn	£9,490,000
2	Camberley	£6,830,000
3	Luton	£16,137,800
4	Maidstone	£7,263,000
5	Walthamstow	£5,460,000
6	Wood Green	£12,400,000
Total		£57,580,800

4.2.2. Current Market Value – Investment Value

Having carefully considered the individual Properties, as described in this report, we are of the opinion that the aggregate Market Value of the respective freehold and leasehold interests, subject to and with the benefit of the existing leases and otherwise with vacant possession, as at 25 March 2014, is in the order of:

£674,400,000

(SIX HUNDRED SEVENTY FOUR MILLION FOUR HUNDRED THOUSAND POUNDS)

We summarise our opinions of Market Value as follows:

Sub Appendix	Property	Gross Income	Net Income	Market Value	Net Initial Yield	Equivalent Yield
1	Blackburn	£10,982,970	£8,254,000	£105,000,000	7.37%	7.99%
2	Camberley	£6,075,350	£5,234,484	£68,200,000	7.15%	7.50%
3	Luton	£15,259,998	£13,021,475	£180,000,000	6.70%	7.19%
4	Maidstone	£6,749,517	£5,407,675	£65,200,000	7.25%	8.70%

Sub Appendix	Property	Gross Income	Net Income	Market Value	Net Initial Yield	Equivalent Yield
5	Walthamstow	£5,814,099	£4,935,368	£71,000,000	6.35%	5.92%
6	Wood Green	£11,719,157	£11,276,183	£185,000,000	5.75%	6.10%
Total		£56,601,091	£48,129,185	£674,400,000	6.61%	7.05%

Our valuations below have been carried out on the basis of the various specific assumptions referred to in the text of this report, and are on the basis of the General Assumptions and Conditions listed in Section 6.0.

4.2.3. Limitations of Valuations

The aggregate Market Value of the Portfolio was £674.40M as at 25 March 2014. Morgan Stanley & Co. International plc has advised us that as at the date of this Offering Circular no Properties have been sold since 25 March 2014.

There can be no assurance that the Market Value of the Portfolio will continue to be equal to or exceed the valuations given to it in the OC Valuation or that the value of the Properties has not changed materially since 25 March 2014. Assumptions often differ from the current facts regarding such matters and are subject to various risks and contingencies, many of which are not within the control of the Issuer, the Note Trustee, the Issuer Security Trustee or the Borrower.

Some of the assumptions contained within our valuations as at 25 March 2014 might not materialise, and unanticipated events and circumstances may occur or have occurred subsequent to the valuation date (being 25 March 2014). As the Market Value of the Portfolio fluctuates, there can be no assurance that the Market Value of the Portfolio will be equal to or greater than the unpaid principal and accrued interest and any other amounts due under the Loan. Therefore, the actual results achieved may vary from the related valuation and such variations may be material.

In general, valuations represent the analysis and opinion of qualified valuers and are not guarantees of present or future value. One valuer may reach a different conclusion than the conclusion that would be reached if a different valuer were appraising the same property, even if theoretically prepared on the same basis.

5. Suitability As Loan Security

5.1. Lender's Responsibility

You have instructed us to determine whether the Project Maple portfolio assets provide suitable and adequate security for any proposed debt financing and to assist the viability of the proposal.

It is usual for a valuer to be asked to express an opinion as to the suitability of a property as security for a loan, debenture or mortgage. However, it is a matter for the lender to assess the risks involved and make its own assessment in fixing the terms of the loan, such as the percentage of value to be advanced, the provision for repayment of the capital and the interest rate.

In this OC Valuation we refer to all matters that are within our knowledge and which may assist you in your assessment of the risk. We comment on the suitability of the properties for loan security purposes or otherwise and make general comments below.

5.2. Property Market and Property Specific Risks

5.2.1. Property Market Risks

These are particular risks applied to the property market within the context of the wider economic environment and current market conditions, some of which are highlighted in our general comments in the Overview of the Portfolio and our analysis of the valuation above. These include:

(i) Future economic environment

Changes to the macro and micro economic environment directly impact on the value of investment property, particularly any movements within the money markets and/or the relative returns available from competing investments. In particular, any interest rate movements beyond those currently anticipated by the wider market may have a detrimental impact on the investment value.

Our valuations are made against the economic background at the valuation date of 25 March 2014 which, barring any external shocks, we considered to be relatively stable in the medium term, albeit with comparatively modest growth prospects, as the UK undergoes a fragile recovery, albeit with increasing momentum, and with areas of the Eurozone still anticipated to languish. However, there still remains the risk of threats of terrorism and instability in the Middle East, together with energy price inflation caused by such. Indeed, the volatility in the equity markets has indirectly benefited property as an asset class where there has been a flight to quality in uncertain times, particularly to those buildings which produce strong bond style income returns and / or properties in central London, although such sentiment is not applicable to the portfolio albeit properties within the London sub market and in the South East region are in general currently trading at a premium to those elsewhere in the UK as this region is widely regarded as the area which will drive the economic recovery.

As property markets improve there is an increasing turnover of secondary stock with UK investors increasingly priced out of prime investment markets and refocusing their investment strategies to good quality secondary markets underpinned by improving occupational markets.

One of the key drivers of value is the availability of cost of finance, and the value of property can be expected to rise and fall depending on movements in interest rates. Property will be competing against other investment media and this may influence yield expectations both positively and negatively.

At the outset it is important to note that the general comments below are in the context of the overall portfolio, with a spread of risks and active management opportunities and that the loan will be granted to a credible asset manager on prudent loan to value ratios against the entire portfolio.

Having regard to the secondary nature of some of the assets in the portfolio, some of which have vacant units or are subject to short term income, with the prospect of capital expenditure, and rent voids and empty outgoings in the short term, then this will in part determine loan terms.

Having regard to the characteristics of the properties and the quality/ duration of the income, we consider that as at the valuation date (being 25 March 2014) the Properties formed good security for loan purposes at the levels of value set out in this OC Valuation, subject to appropriate and realistic loan to values being granted and on the assumption that any prospective purchaser of the property/ sponsor in the hypothetical sale of the property is credible.

(ii) Future Changes in Property Taxes

Property as an asset class has always attracted the interest of incumbent Chancellors of the Exchequer as an avenue for raising increased taxation. This was seen in the early years of the Labour Government when Stamp Duty Land Tax was increased from 1% to 4% for transactions above £500,000 over the period July 1997 to March 2000. Measures have continually been taken to tighten SDLT avoidance. Governments have also sought to raise taxes on betterment from the development process.

The introduction of new property taxes, increases in existing taxes and tightening of anti-avoidance all potentially have an impact on the value of property. The introduction of more onerous rating liabilities on empty properties has had a very direct impact on the value of property, particularly secondary property which can be expected to remain empty for longer, as these empty rates liabilities are factored into the valuation calculations on lease expiry.

(iii) Liquidity

The most sought after properties / shopping centres in the investment market are generally confined to good quality investments in strong locations. Accordingly, the central London investment market remains extremely active with a wide range of purchasers in the market, although investors are being frustrated by a shortage of suitable investment stock in central London. The weight of money into property has encouraged greater liquidity with pressure applied by vendors for rapid exchange and completion of sale contracts. In a more shallow market place, the period needed for disposal may increase.

(iv) Pricing

Property as an asset class is not a homogeneous product and pricing has traditionally been linked to historic evidence from relevant comparable transactions. Such evidence can be scarce and this, coupled with liquidity issues, may affect the pricing of an asset. There is evidence that property as an asset class over the last few years has been re-rated and the drive towards this sector has led to the compression in yields, with yields in prime markets continuing to improve such is the weight of money.

5.2.2. Property Specific Risks

The specific property risks in this instance include:

(i) Wasting or Appreciating Assets

The properties in the main comprise a good secondary, albeit varied, portfolio of shopping centres throughout the UK albeit most are secondary in nature. This is either by way of their location, the underlying character and investment quality of the properties and the strength and duration of the income stream.

Some of the assets can be expected to appreciate in value assuming they are proactively managed but much will depend on the strategy and implementation of an appropriate business plan.

(ii) Market Risks

The risks in this respect are twofold. Firstly, there is a risk that the economy fails to improve as predicted which may lead to a reduction in rental values as a result of weakening business confidence and tenant demand. This would adversely affect the rental growth and reletability prospects of the properties in the portfolio, and to that extent, considerable asset management skills will be required together with realistic pricing to ensure that the subject properties are well placed relative to the competition in attracting tenants.

Secondly, there is a market risk in respect of the capitalisation rate adopted in our valuations. It is possible that investment yields may soften, given the factors noted above as to future outlook and depreciation. To an extent, any movement is likely to be in line with money market rates generally and is impossible to predict with any certainty although in the case of the subject portfolio, the good secondary nature of the shopping centres and the weighting to the South East, should temper any material yield softening. It will be investor appetite and the availability of equity targeted at the shopping centre market that will be more likely to influence yield parameters. These risks are inherent in any property investment.

(iii) Tenant Default

The properties are let to tenants considered to offer an overall good covenant, albeit with some strong covenants and conversely some poor / fair covenants, which reflects the characteristics of income derived from shopping centres and the generally good secondary nature of the portfolio. Whilst there exists the possibility of sporadic tenant default across the portfolio, as and when vacant possession is obtained and any refurbishment proposals are completed, the properties, once subsequently let and become income producing, generally can be anticipated to be let to similar covenants.

(iv) Rental Growth

The investment yields adopted are growth implicit (i.e. they anticipate future rental growth). The exact levels of future rental growth are not certain, but are dependent upon a variety of factors, including economic background, tenant demand at any one time, and provable rental values. The outlook for rental growth generally is improving in many locations.

5.3. Conclusion Suitability as Security

In conclusion, most of the market and property specific risks in the portfolio are capable of identification and measurement and/or may be considered acceptable in the context of the property sector.

Report & Valuation

Project Maple



We would comment that we have considered each of the principal risks associated with the Properties within the context of the wider investment market and that they are reflected in our valuation calculations and reported figures as appropriate. Overall, we considered that the portfolio of Properties provided good security for a loan secured upon it, as at the valuation date of 25 March 2014, which reflects the nature of the portfolio, our reported opinions of value and crucially an appreciation of the asset management initiatives presented at each centre.

6. General Assumptions and Conditions

6.1. General Assumptions

Unless otherwise stated in this report, our valuations have been carried out on the basis of the following General Assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuations, as there may be an impact on them.

1. That the properties are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings contained in the Freehold Title or Leasehold titles. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificates.
2. That we have been supplied with all information likely to have an effect on the value of the property, and that the information supplied to us and summarised in this report is both complete and correct.
3. That the buildings have been constructed and are used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful.
4. That the properties are not adversely affected, nor are likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice.
5. That the buildings are structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the buildings we have inspected or not, that would cause us to make allowance by way of capital repair. Our inspection of the property and this report do not constitute a building survey.
6. That the properties are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
7. That in the construction or alteration of the buildings no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like. We have not carried out any investigations into these matters.
8. That the properties have not suffered any land contamination in the past, nor are they likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
9. That the properties do not suffer from any risk of flooding. We have not carried out any investigation into this matter.
10. That the properties either comply with the Disability Discrimination Acts and all other Acts relating to occupation, or if there is any such non-compliance, it is not of a substantive nature.
11. That the properties do not suffer from any ill effects of Radon Gas, high voltage electrical supply apparatus and other environmental detriment.

12. That the tenants are capable of meeting their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.
13. That in the case of those parts of the property identified for redevelopment that there are no adverse site or soil conditions, that the property is not adversely affected by the Town and Country Planning (Assessment of Environmental Effects) Regulations 1988, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our valuations.

6.2. General Conditions

Our valuations have been carried out on the basis of the following general conditions:

1. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property.
2. Our valuations are exclusive of VAT (if applicable).
3. No allowance has been made for any expenses of realisation.
4. Excluded from our valuations is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
5. Energy Performance Certificates (EPCs) are required for the sale, letting, construction or alteration of all residential buildings on non-domestic residential buildings over 538 sq ft (50 sq m) in England and Wales and on all buildings in Scotland. The effect of EPCs on value is as yet unknown, given that the market has yet to respond to their introduction. Therefore, we have not considered the properties EPC rating(s) in forming our opinion of value. However, should this position alter, we reserve the right to reconsider our opinion of value.
6. Each property has been valued individually and no allowance has been made, either positive or negative, should it form part of a larger disposal. The total stated is the aggregate of the individual Open Market Values.
7. No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EU legislation.
8. Our valuations are based on market evidence which has come into our possession from numerous sources. That from other agents and valuers is given in good faith but without liability. It is often provided in verbal form. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions, we are unable to warrant that the information on which we have relied is correct although we believe it to be so.

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APPENDIX 2

PROPERTIES

	Property	Title number/description	Leasehold/freehold	Legal owner(s)	Beneficial owner(s)
1.	Blackburn	LA728130 Land and buildings known as The Mall, Blackburn Shopping Centre, 25 Church Street, Blackburn BB1 5AF and land adjacent to Grosvenor Way and Church Street, Blackburn	Leasehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership
		LAN74638 Land and buildings at the back of 31 and 33 Church Street, 2 to 8 (even) Grosvenor Way and 51 to 57A (odd) Church Street, Blackburn BB1 5AF	Leasehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership
2.	Camberley	SY587203 Camberley Town Centre	Leasehold	Pavilion Trustees Limited and Pavilion Property Trustees Limited (formerly known as Mourant & Co Trustees Limited and Mourant Property Trustees Limited respectively) (Pavilion Trustees)	The Main Square Camberley Unit Trust (The Main Square Camberley) (99.99 per cent. owned by The Mall Limited Partnership and 0.01 per cent. owned by Capital & Regional Jersey Limited)
		SY618154 Land and building at Princess Way	Leasehold	Pavilion Trustees	The Main Square Camberley
		SY478218 10 High Street	Freehold	Pavilion Trustees	The Main Square Camberley
		SY375663 24, 26 and 30 to 48 High Street	Freehold	Pavilion Trustees	The Main Square Camberley
		SY615528 South-west side of High Street	Freehold	Pavilion Trustees	The Main Square Camberley
		SY615850 50 High Street	Freehold	Pavilion Trustees	The Main Square Camberley
		SY350722 52 High Street	Freehold	Pavilion Trustees	The Main Square Camberley

	Property	Title number/description	Leasehold/freehold	Legal owner(s)	Beneficial owner(s)
		SY288942 54 High Street	Freehold	Pavilion Trustees	The Main Square Camberley
		SY689978 Land on the south side of London Road	Freehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership
		SY115552 127 London Road	Freehold	Pavilion Trustees	The Main Square Camberley
		SY683569 Land lying to the south of 129 and 131 London Road	Freehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership
		SY692295 145/145A/147/149 London Road	Freehold	Pavilion Trustees	The Main Square Camberley
		SY272243 151/151A London Road	Freehold	Pavilion Trustees	The Main Square Camberley
		SY452110 161 and 163 London Road	Freehold	Pavilion Trustees	The Main Square Camberley
		SY692293 165/167/169/171 London Road	Freehold	Pavilion Trustees	The Main Square Camberley
		SY419257 173A London Road	Freehold	Pavilion Trustees	The Main Square Camberley
		SY258361 181 and 183 London Road	Freehold	Pavilion Trustees	The Main Square Camberley
		SY352541 7 to 21 (odd) Park Street and 48 to 54 (even) Obelisk Street	Freehold	Pavilion Trustees	The Main Square Camberley
		SY695852 Land to the east of Park Street	Freehold	Pavilion Trustees	The Main Square Camberley
		SY695853 Land to the east of Park Street	Freehold	Pavilion Trustees	The Main Square Camberley
		SY759869 Land adjoining existing toilet block of multi-storey car park	Leasehold	Pavilion Trustees	The Main Square Camberley
3.	Luton	BD195717 Land and buildings known as The Arndale Centre, Luton	Leasehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership
		BD277023 Land adjoining The	Leasehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership

	Property	Title number/description	Leasehold/freehold	Legal owner(s)	Beneficial owner(s)
		Arndale Centre, Luton			
		BD227038 Units 137 – 147 The Arndale Centre, Luton	Leasehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership
		BD67815 1 and 3 Cheapside and 32 and 34 George Street, Luton	Freehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership
		BD41438 47 Guildford Street, Luton	Freehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership
		BD68849 8-20 George Street, Luton	Freehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership
4.	Maidstone	K449600, K852419, K111964, K366143, K381739 & K617170 Land and buildings known as The Mall Chequers Centre, Pads Hill, Maidstone, ME15 6AT, 2-12 King Street, Maidstone, Kent, ME14 1DE and 1-5 Gabriels Hill, Maidstone, Kent, ME15 6NL	Freehold	Mall Nominee One Limited and Mall Nominee Two Limited	The Mall Limited Partnership
5.	Walthamstow	EGL224521 The Mall, Walthamstow London E17 (previously known as Selborne Walk Shopping Centre, Walthamstow)	Leasehold	Selborne One Limited and Selborne Two Limited	The Mall Limited Partnership
6.	Wood Green	EGL350011 Wood Green Shopping City, High Road, Wood Green	Freehold	Wood Green One Limited and Wood Green Two Limited	The Mall Limited Partnership
		NGL316556 88 to 96 (even numbers) High Road, Wood Green	Freehold	Wood Green One Limited and Wood Green Two Limited	The Mall Limited Partnership

APPENDIX 3

MALL LOAN MARKET VALUE INPUT VARIABLES

Input	Used to calculate market value on date of Justified Termination
CCP	OTC
Leg 1	Receive Fixed
Leg 2	Pay Float
Notional	Relevant Portion
Currency	GBP
Coupon	1.860302 per cent. per annum
Effective	Two business days before date of Justified Termination
Calc Basis	Money Mkt
Maturity	Mall Loan Termination Date
Day Count	Actual/365
Pay Freq	Quarterly
Unwind Cpn	0
Index	BP0003M
Latest Index	The rate listed on Bloomberg screen BP0003M <Index>HP for the date two business Days before the preceding Mall Loan Payment Date
Tenor	3 Month
Leverage	1.00000
Spread	0.00
CSA Collateral Currency	N/A
Dscnt Curve	SONIA OIS Mid
Fwd Curve	Bloomberg composite for GBP swaps vs 3 months mid-rate
Curve Date	Two business day before date of Justified Termination
Valuation	Two business day before date of Justified Termination
Calculate	Premium
Premium	0.00000

APPENDIX 4

BORROWER 2012/2013 AUDITED FINANCIAL STATEMENTS

Registered in England No. LP007977

The Mall Limited Partnership

Report and Consolidated Financial Statements

31 December 2012

The Mall Limited Partnership

Report and consolidated financial statements 2012

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The Mall Limited Partnership

Report and consolidated financial statements 2012

Partners, advisers and other information

Partners

Limited Partner:

The Mall Unit Trust

General Partner:

The Mall (General Partner) Limited

Registered Office

St Helen's
1 Undershaft
London
EC3P 3DQ

Bankers

The Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Auditor

Deloitte LLP
London

The Mall Limited Partnership

General Partner's report to the partnership

The General Partner has pleasure in presenting its report on the affairs of the Group (The Mall Limited Partnership and its share of The Camberley Unit Trust) and Partnership for the year ended 31 December 2012 together with the consolidated financial statements.

Principal activity

The principal activity of the Partnership is the acquiring, developing, refurbishing, managing, letting, and holding of shopping malls for investment purposes.

For the foreseeable future, the General Partner expects the focus of the fund to be on maintaining and growing income through re-letting voids and re-gearing existing tenancies along with undertaking opportunistic sales that add to performance and reduce risk for the fund.

In preparing the financial statements, the General Partner has adopted the going concern basis as set out in note 1 to the financial statements.

Enhanced business review

1. Objectives/strategy

The Mall Limited Partnership is a UK shopping centre property specialist. Our objective is to outperform our benchmark (the All Shopping Centres Series of The Investment Property Databank's UK Annual Index) by driving revenue and capital growth through the delivery of individual property business plan initiatives. Assets which are not set to outperform will be targeted for sale.

Our Malls have all been acquired under the following investment criteria:

- Town centre locations
- Dominant in localised town catchment or a strong market position in a metropolitan catchment
- Minimum 150,000 sq ft/13,935 sq m gross internal area
- Car park or public transport facilities
- Covered, or able to be
- Tenant profile "mass market" or "value" retail
- Revenue and capital growth potential
- Value adding management opportunities

2. Partnership performance

The business review is required to contain financial and where applicable, non-financial key performance indicators ("KPIs"). The General Partner considers that, in line with the activities and objectives of the business, the financial KPIs set out below are those which communicate the performance of the Fund as a whole. These KPIs comprise of:

	2012	2011
Fund Return	-6.0%	3.7%
Property Return	1.0%	6.3%
IPD Benchmark	0.1%	5.0%
Capital Value	£851m	£971m
No of Assets	8	9
Net Income (valued)	£64.3m	£73.4m
ERV (valued)	£79.1m	£92.1m
Distribution Yield	0.8%	1.7%
Initial Yield	7.0%	7.0%
Equivalent Yield	7.5%	7.7%
Footfall Visits	92.9m	104.9m
Voids	2.8%	3.2%

The Mall Limited Partnership

General Partner's report to the partnership (continued)

2. Partnership performance (continued)

ERV (Estimated Rental Value) is the external valuers' estimate of the Group's share of the current annual market rent of all lettable space net of any non-recoverable charges, before bad debt provision and adjustments required by applicable accounting standards regarding tenant lease incentives.

Initial yield is the annualised net rents on investment properties expressed as a percentage of the market value.

Equivalent yield is the effective annual yield to a purchaser from the assets individually at market value after taking account of notional acquisition costs but assuming rent is receivable annually in arrears rather than reflecting the actual cash flows.

3. Capital management

On 23 January 2012, The Mall Limited Partnership made a £2.6m repayment of the inter-company loan from excess cash held within the Partnership.

On 23 April 2012, The Mall Limited Partnership made a £8.7m repayment of the inter-company loan from excess cash held within the Partnership.

On 23 July 2012, The Mall Limited Partnership made a £80.1m repayment of the inter-company loan following the receipt of proceeds from the sale of property at Norwich (£77.3m) and available excess cash held within the Partnership (£3.8m).

Total debt amounted to £570.9m as at the end of December 2012, which is 100% hedged for another 2.25 years. The fair value adjustment on the hedged debt as at December 2012 would decrease the Group's net asset value by £37.0m (2011: £47.7m).

The average cost of debt (including margin) as at 31 December 2012 stood at 4.11% (2011: 5.44%).

4. Purchases and disposals

On 11 July 2012, The Mall Limited Partnership sold Castle Mall Shopping Centre, Norwich, to Infrared European Active Real Estate Trust for the sum of £77.3m resulting in a net loss on disposal of £8.4m.

5. Principal risks

The key risks arising in the Partnership are market, credit, operational and liquidity risks which are discussed in more detail below.

The Aviva Group's approach to risk and capital management

The Aviva Group ("Aviva") is the Fund Manager of the Mall Fund. Aviva operates within its own governance structure and priority framework. It also has its own established governance framework, with clear terms of reference for the Board and Aviva Executive committee and a clear organisation structure, with documented delegated authorities and responsibilities (largely through role profiles). Aviva has an Audit Committee, which includes shareholder representatives.

The Mall Limited Partnership

General Partner's report to the partnership (continued)

5. Principal risks (continued)

Financial instruments:

The Partnership's principal financial instrument comprises an inter-company loan with Mall Funding plc. The purpose of this financial instrument is to finance the operations of the Partnership.

The principal risks arising from the Partnership's financial instruments are interest rate risk and liquidity risk. The General Partner reviews these risks and develops policies for managing each type of risk as follows:

(i) Interest rate risk

The Partnership's policy is to eliminate substantially all the exposure to interest rate fluctuations in order to provide certainty over the amount of interest payable. The following table sets out the carrying amounts, by maturity, of the Partnership's financial instruments.

31 December 2012	Weighted Average Interest Rate	Less than 1 year	1 to 5 years	More than 5 years	Total
	%	£'000	£'000	£'000	£'000
Floating rate Cash	0.5	45,100	-	-	45,100
Fixed rate Bank loans and swap*	4.11	-	570,867	-	570,867

31 December 2011	Weighted Average Interest Rate	Less than 1 year	1 to 5 years	More than 5 years	Total
	%	£'000	£'000	£'000	£'000
Floating rate Cash	1.0	43,204	-	-	43,204
Fixed rate Bank loans and swap*	5.44	-	662,310	-	662,310

* The bank loans and swap reflect the Fund's total exposure to debt held within The Mall Funding plc via the intercompany loan.

100% of debt at 31 December 2012 has been fixed for a further 2.25 years via two fixed rate swap instruments and caps.

The Mall Limited Partnership

General Partner's report to the partnership (continued)

5. Principal risks (continued)

Financial instruments (continued)

(ii) Liquidity risk

Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The partnership projects and monitors prudent forward looking interest cover ratios and has a liquidity facility in place with Barclays Plc.

Loan Covenant Adherence

The risk of failure to adhere to the various loan covenant requirements is mitigated through the Partnership's active management of its debt facility and effective communication with the lenders of finance.

The LTV (loan to value) covenant (defined as outstanding debt less cash held in both the Disposal Proceeds account and the Excess Cash account divided by gross property value) was 67.6% as at 31 December 2012 (2011: 68.7%) against a covenant ratio of 77% (2011: 83%).

Interest Cover Ratios

	2012	2011
1 Year Projected Interest Cover Ratio	2.05%	1.96%
Covenant ratio	1.30%	1.30%
1 Year Historic Interest Cover Ratio	1.92%	1.58%
Covenant ratio	1.30%	1.30%

(iii) Market risk

The Partnership's exposure to market risk takes the form of property valuations and rental income, which have a direct impact on the value of investments. The management of this risk falls within the mandate of Aviva Investors Global Services Limited, which makes and manages investments on behalf of the Fund.

(iv) Credit risk

The Partnership does not have a significant exposure to credit risk as receivables are mainly short-term trading items or inter-entity balances. The Partnership's investments are managed by agents who have responsibility for the prompt collection of amounts due.

Tenant default risk

The current economic environment has led to an increased risk of tenant default. The Partnership manages this risk by ensuring that a dedicated credit control team is engaged in collecting the advance quarterly or monthly rent from tenants as soon as it falls due.

The Mall Limited Partnership

General Partner's report to the partnership (continued)

5. Principal risks (continued)

Credit risks (continued)

Tenants in Administration

	Units	Rent roll £m
Total 2012	67	6.0
Total 2011	62	3.3

Tenants on Monthly Terms – passing rent

	December 2012	December 2011
Percentage extra contractual concession	3.71%	7.29%
Percentage contractual term	21.41%	16.64%
Total percentage on monthly terms	25.11%	23.94%

(v) Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of the Aviva Group approach to operational risk are set out in the financial statements of Aviva Investors Global Services Limited, which manages and administers the Partnership's investments. Details of the Capital & Regional plc's approach to operational risk, as the Property Manager to the fund, are set out in the financial statements of Capital & Regional plc.

6. Key relationships

Our most important relationships are with our tenants and our shoppers to ensure growth in the business.

We have approximately 502 retailers, the largest of whom is Alliance Boots group, accounting for 5.1% of the rent roll. The top 20 tenants account for 41% of the rent roll (2011: 40%).

Each Mall is more than just a collection of shops, it is a venue at the heart of its community; local people serving local people. We aim to recruit General Managers with retailer experience, and to place them at the centre of our operation. Each Mall has access to marketing, financial, HR, IT and surveying expertise located at our London and Glasgow offices.

Our objective is to provide and promote a clean, safe and stimulating shopping environment, with the retail mix relevant to each local community. We create both the right space for retailers, and create, manage and market an exciting branded retail environment for our shoppers.

Our fund and asset manager relationships are also regarded as key. The Mall Limited Partnership is a specialist property fund managed by Aviva Investors Global Services Limited and Capital & Regional Property Management Limited.

The Mall Limited Partnership

General Partner's report to the partnership (continued)

7. Environmental issues

Shopping centres are unique in their interface and outreach positioning; they form an interface between retailers and vast numbers of the UK population, and demand environmentally respectful behaviour. By establishing industry standards customised to each individual shopping centre and then monitoring progress towards a self-sustainable footprint the Mall is working to optimise its environmental impact.

The Mall Limited Partnership is registered as a participant in the Carbon Reduction Energy Efficient Scheme.

8. Results and distributions

The loss for the Group for the year, before distributions and after minority interests' shares, was -£14.6m (2011: profit £6.9m). Accrued income distributions to unitholders during the year were £3.0m (2011: £6.4m).

9. Partners and Partners' Interests

The Partners as at 31 December 2012 and their interests in the equity and advance capital were as follows:

	Equity capital £'000	Advance capital £'000
The Mall Unit Trust	27,026	945,695
The Mall (General Partner) Limited	340	-
	<hr/>	<hr/>
Total Equity	<u>27,366</u>	<u>945,695</u>

10. Payment policy

It is the Partnership's policy that payments to suppliers for goods and services to the Partnership are made in accordance with the policies of Aviva plc and Capital & Regional plc as appropriate and as reported in their respective accounts.

11. Performance fees

The Partnership pays performance fees to Capital & Regional Property Management Limited for providing property management services and Aviva Investors Global Services Limited for providing fund management services. A new performance fee has been agreed in February 2013 between the general partner and managers, and is Obligor Security Trustee approved with formal documentation being executed imminently. This new performance fee will only be payable at the end of the life of the Fund or on an exit event. An exit event is defined as a listing, sale of all of the interests in the Fund, or the making of a cash offer which is accepted by a majority of the investors in the Fund. Payment will be based on property level outperformance (taking the 30 June 2010 valuation as the start point) relative to the IPD Shopping Centre Index (excluding the Fund), of more than 50 basis points provided always that the Fund level return is greater than 0%.

The Mall Limited Partnership

General Partner's report to the partnership (continued)

12. Post balance sheet events

On 22 January 2013, The Mall Limited Partnership made a £6.0m repayment of the inter-company loan made available from excess cash held within the Partnership.

On 22 April 2013, The Mall Limited Partnership made a £17.4m repayment of the inter-company loan made available from excess cash held within the Partnership.

13. Auditor

At the date of approval of this report, the General Partner confirms that:

- so far as the General Partner is aware, there is no relevant audit information of which the partnership's auditor is unaware; and
- the General Partner has taken all the steps that ought to have taken as the General Partner in order to make himself/herself aware of any relevant audit information and to establish that the partnership's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as auditor and have expressed their willingness to continue in office.

For and on behalf of the Partnership



B S Hill

Director

The Mall (General Partner) Limited

30 May, 2013

The Mall Limited Partnership

Statement of General Partner's responsibilities

The General Partner is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the Group and of the profit or loss of the Partnership and of the Group for that period. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and to enable it to ensure that the financial statements comply with the Companies Act 2006 as applicable to qualifying partnerships. It is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Partners of The Mall Limited Partnership

We have audited the financial statements of The Mall Limited Partnership for the year ended 31 December 2012 which comprise the consolidated and Partnership profit and loss account, consolidated and Partnership statement of total recognised gains and losses, consolidated and Partnership note of historical cost profit and losses, consolidated and Partnership balance sheets, consolidated and Partnership statement of cash flows, consolidated and Partnership reconciliation of net cash flow to movement in net debt and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and the qualifying partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of general partner and auditor

As explained more fully in the Statement of General Partners' Responsibilities, the general partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the general partner; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and qualifying partnership's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Clark FCA

Andrew Clark (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 May 2013

The Mall Limited Partnership

Consolidated and partnership profit and loss account Year ended 31 December 2012

	Notes	Group		Partnership	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
Turnover	2 (a)	93,588	116,093	85,712	107,321
Cost of sales	2 (b)	(34,556)	(41,160)	(31,670)	(38,383)
Gross profit		59,032	74,933	54,042	68,938
Management expenses		(6,664)	(6,460)	(6,569)	(6,369)
Administrative expenses		(1,204)	(1,465)	(1,188)	(1,447)
Net provision for impairment of investment properties	2 (c)	(27,355)	(13,727)	(27,355)	(13,727)
Reversal of impairment of investment in subsidiary	2 (c)	-	-	-	1,988
		(35,223)	(21,652)	(35,112)	(19,555)
Operating profit	3	23,809	53,281	18,930	49,383
Loss on sale of fixed assets	2 (d)	(8,119)	(3,886)	(8,119)	(3,886)
Profit on ordinary activities before interest		15,690	49,395	10,811	45,497
Investment income		-	-	4,951	5,927
Interest receivable	4	92	72	19	29
Interest payable and similar charges	5	(30,425)	(42,580)	(30,423)	(42,578)
(Loss) / profit for the financial year		(14,643)	6,887	(14,642)	8,875
Minority interest		(2)	(4)	(1)	-
(Loss) / profit for financial year attributable to Partners and retained (loss) / profit		(14,645)	6,883	(14,643)	8,875
Distributions		(2,997)	(6,356)	(2,998)	(6,360)
		(17,642)	527	(17,641)	2,515

All results derive from continuing activities.

The Mall Limited Partnership

Consolidated and partnership statement of total recognised gains and losses Year ended 31 December 2012

	Note	Group		Partnership	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
(Loss) / profit for the financial year attributable to Partners		(14,645)	6,883	(14,643)	8,875
Unrealised (deficit)/ surplus on revaluation of freehold and leasehold properties	13	(11,789)	9,704	(11,789)	7,717
Total recognised gains and losses for the year		<u>(26,436)</u>	<u>16,587</u>	<u>(26,434)</u>	<u>16,592</u>

Consolidated and partnership note of historical cost profit and losses Year ended 31 December 2012

	Notes	Group		Partnership	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
(Loss) / profit for the financial year		(14,643)	6,887	(14,642)	8,875
Realisation of investment properties revaluation net deficit of previous years	2(d)	(528)	(3,502)	(528)	(3,502)
Other recognised gains / (losses) transferred to revaluation reserve from profit and loss account	13	3,018	(27,942)	9,067	(25,518)
Historical cost loss on ordinary activities		(12,153)	(24,557)	(6,103)	(20,145)
Minority interest		(2)	(4)	(1)	-
Distributions		(2,997)	(6,356)	(2,998)	(6,360)
Historical cost loss for the year retained after minority interest		<u>(15,152)</u>	<u>(30,917)</u>	<u>(9,102)</u>	<u>(26,505)</u>

The Mall Limited Partnership

Consolidated and partnership balance sheets 31 December 2012

	Notes	Group		Partnership	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
Fixed assets					
Investment properties	7	836,940	957,621	766,987	880,684
Investment in subsidiary	8	-	-	70,728	78,025
		<u>836,940</u>	<u>957,621</u>	<u>837,715</u>	<u>958,709</u>
Current assets					
Debtors due after more than one year	9	9,835	9,730	9,504	9,526
Debtors due within one year	9	87,531	95,596	99,651	105,357
Cash at bank and in hand		45,100	43,204	29,821	30,013
		<u>142,466</u>	<u>148,530</u>	<u>138,976</u>	<u>144,896</u>
Creditors: amounts falling due within one year	10	<u>(41,506)</u>	<u>(47,583)</u>	<u>(38,796)</u>	<u>(45,042)</u>
Net current assets		<u>100,960</u>	<u>100,947</u>	<u>100,180</u>	<u>99,854</u>
Total assets less current liabilities		<u>937,900</u>	<u>1,058,568</u>	<u>937,895</u>	<u>1,058,563</u>
Creditors: amounts falling due after more than one year	11	<u>(570,867)</u>	<u>(662,103)</u>	<u>(570,867)</u>	<u>(662,103)</u>
Net assets excluding partners' interests		<u>367,033</u>	<u>396,465</u>	<u>367,028</u>	<u>396,460</u>
Partners' interests					
Partners' capital	12	973,061	973,061	973,061	973,061
Revaluation reserve	13	26,301	40,580	26,301	46,631
Other reserve	13	5,024	5,024	5,024	5,024
Profit and loss account	13	(637,358)	(622,206)	(637,358)	(628,256)
Partners' interests		<u>367,028</u>	<u>396,459</u>	<u>367,028</u>	<u>396,460</u>
Minority interest	14	5	6	-	-
Total funds employed		<u>367,033</u>	<u>396,465</u>	<u>367,028</u>	<u>396,460</u>

As required by The Partnerships (Accounts) Regulations 2008 these financial statements have been prepared according to the accounting provisions of the Companies Act 2006, as applicable.

The accounts of The Mall Limited Partnership, registered number LP007977, were approved and authorised for issue on behalf of the General Partner on 30 May 2013



B S Hill

Director

For The Mall (General Partner) Limited

The Mall Limited Partnership

Consolidated and partnership statement of cash flows Year ended 31 December 2012

		Group		Partnership	
	Notes	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Net cash inflow from operating activities	15(a)	48,767	54,732	46,149	49,150
Distributions received from subsidiary undertakings	15(b)	10	-	468	-
Returns on investments and servicing of finance	15(c)	(32,344)	(45,567)	(32,418)	(45,610)
Capital expenditure and receipts from property disposals	15(d)	73,507	149,877	73,653	149,890
Cash inflow before financing		89,940	159,042	87,852	153,430
Financing	15(e)	(88,044)	(166,365)	(88,044)	(166,365)
Net increase / (decrease) in cash		1,896	(7,323)	(192)	(12,935)

Consolidated and partnership reconciliation of net cash flow to movement in net debt Year ended 31 December 2012

		Group		Partnership	
	Note	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Net increase / (decrease) in cash		1,896	(7,323)	(192)	(12,935)
Cash outflow from other loans		91,443	165,428	91,443	165,428
Non cash movements		(207)	(827)	(207)	(827)
Movement in net debt		93,132	157,278	91,044	151,666
Opening net debt at 1 January		(618,899)	(776,177)	(632,090)	(783,756)
Net debt at 31 December	15(f) & (g)	(525,767)	(618,899)	(541,046)	(632,090)

The Mall Limited Partnership

Notes to the financial statements Year ended 31 December 2012

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of investment properties and in accordance with applicable United Kingdom accounting standards using the following accounting policies as set out below which have been applied consistently throughout the current and preceding year.

Basis of preparation

The financial statements have been prepared in accordance with Companies Act 2006, as applied by The Partnership (Accounts) Regulations 2008.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Partnership and its subsidiary undertaking, The Camberley Main Square Unit Trust, as at 31 December 2012. The results of subsidiaries acquired or sold are consolidated for the period from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Going concern basis

The current economic climate has created a number of uncertainties as set out on pages 4 to 6. The business activity of the Group and Partnership, together with the factors likely to affect its future development, performance and position are set out on pages 2 to 8. The financial position of the Group and Partnership, their liquidity position and borrowing facilities are set out in these financial statements.

The General Partner has reviewed the current and projected financial position of the Group, making reasonable assumptions about future trading performance. After making enquiries, the General Partner has a reasonable expectation that the Group and Partnership have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the General Partner continues to adopt the going concern basis in preparing these financial statements.

Investment property

In accordance with the Statement of Standard Accounting Practice No 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Deficits which are considered to be permanent are charged to the profit and loss account. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold properties with over 20 years to expire. This treatment represents a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the Partners consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is, therefore, necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which may otherwise have been shown cannot be separately identified or quantified.

Property assets are included as investment property on completion of contracts.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

1. Accounting policies (continued)

Investments

Investments in subsidiaries are shown in the balance sheet at cost of acquisition less provision for impairment.

Tenant incentives

Rent free periods given to tenants are shown as a debtor and are amortised over the earlier of either the period of the lease, or, to the date when the rent is adjusted to the prevailing market rate, usually the first rent review. The amount that is recognised as a debtor is written down to the extent that it is not expected to be recovered. The valuation of the properties is reduced by the unamortised rent free balance. Capital contributions given to tenants are shown as a debtor, and amortised over the earlier of either the period of the lease, or, to the date when the rent is adjusted to the prevailing market rate, usually the first rent review. The amount that is recognised as a debtor is written down to the extent that it is not expected to be recovered. The valuation of the properties is reduced by the unamortised capital contributions.

Financial instruments

The Partnership's intercompany loan with The Mall Funding plc is at fixed rates. The Mall Funding plc holds listed debts and enters into derivative transactions in the form of interest rate swaps, to manage the interest rate risk arising from its floating rate borrowings. At 31 December 2012 100.0%, (2011: 100.0%) of the borrowings were at fixed rates after taking account of interest rate swaps. As part of the intercompany agreement, the Partnership provides funds to The Mall Funding plc for all loan related transactions. Hence, amounts payable and receivable under the swap agreement of The Mall Funding plc with external banks are included within the related interest payable on the loan.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

Long term borrowings

Interest bearing loans are recorded at the proceeds received, net of direct issue costs. Interest expenses are accounted for on the accrual basis in the profit and loss account using the effective interest rate.

Loan arrangement costs

Costs relating to the raising of loan facilities are amortised over the estimated life of the loan, or expensed on prepayments of the loan, and charged to the profit and loss account as part of the interest expense. The loans are disclosed net of unamortised issue costs.

Turnover

Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated rebates or similar allowances.

Rental income from investment properties is recognised on a straight-line basis over the relevant lease.

Performance fees

The Partnership pays performance fees to Capital & Regional Property Management Limited for providing property management services and Aviva Investors Global Services Limited for providing fund management services. The fees are designed on a complex formula to give Capital & Regional Property Management Limited and Aviva Investors Global Services Limited a share of the Partnership's outperformance over a three year period compared to a defined IPD index and an absolute 12% hurdle.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

1. Accounting policies (continued)

Performance fees (continued)

Performance fees payable are recognised in line with the property and fund management contracts at the end of the performance period to which they relate. The performance period is normally three years.

Where performance falls short of benchmarks, fees are repayable up to the amount received for the previous two years of the relevant performance period. Repayments are recognised when virtually certain.

Plant and equipment

Plant and equipment are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than investment properties and land, over their expected useful lives:

Fixtures and fittings - over four years, on a straight line basis.

Distributions

Income produced by the Partnership's investment properties and other sources is distributed to the Partners to the extent that the Partnership's income exceeds expenses, on a quarterly basis in accordance with the Partnership Deed.

The General Partner and the Fund Manager are required to ensure that no distribution is made that would render the Partnership insolvent or unable to pay its expenses for the six month period following a distribution, having regard to the expected receipts of the Partnership, or put the Partnership in breach of the terms of any of its financing agreements.

2 (a) Turnover

Turnover, which excludes value added tax, represents rental and ancillary income and service charge income earned from third parties. Ancillary income comprises rent from short-term tenants of mobile units, car park income and other sundry income. Turnover is attributable to one continuing activity in the UK, the letting and management of property. Turnover includes the impact of the application of UITF Abstract 28 "Operating Lease Incentives", so that the cost of the incentive is recognised as a reduction of rental income over the lease term or the expected term until the prevailing market rental will be paid.

	Group		Partnership	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Gross rental income	65,195	80,184	58,996	73,292
Insurance commission	5	138	5	138
Leasing and surrender premiums	221	360	221	360
Ancillary income	10,871	13,856	10,732	13,692
	<u>76,292</u>	<u>94,538</u>	<u>69,954</u>	<u>87,482</u>
Service charge income	17,296	21,555	15,758	19,839
	<u>93,588</u>	<u>116,093</u>	<u>85,712</u>	<u>107,321</u>

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

2 (b) Cost of sales

	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Rents Payable	3,525	4,070	3,312	3,819
Legal & Professional Fees	2,347	2,208	2,171	2,023
Irrecoverable service charge costs	4,298	5,300	3,786	5,007
Promotions	829	987	734	906
Car Park Operations	4,103	4,561	4,103	4,561
Bad and doubtful debts	1,256	1,201	961	987
Other	902	1,278	845	1,241
	<u>17,260</u>	<u>19,605</u>	<u>15,912</u>	<u>18,544</u>
Service charge costs	<u>17,296</u>	<u>21,555</u>	<u>15,758</u>	<u>19,839</u>
	<u><u>34,556</u></u>	<u><u>41,160</u></u>	<u><u>31,670</u></u>	<u><u>38,383</u></u>

2 (c) Provision for Impairment

Impairment arises as a result of the reduction in the valuation of the Group's investment properties, and the net realisable value in the case of the Partnership's investment, following revaluation of the investment properties held within the Partnership and its investment in its subsidiary, The Main Square Camberley Unit Trust. Permanent impairments can also arise due to reductions in the General Partner's estimation of future exit values. Deficits which are expected to continue until the Mall Fund's term to 2015 are treated as permanent and charged to the profit and loss account or, if they have been reported in the statement of total recognised gains and losses in prior years, as a transfer between revaluation reserve and profit and loss account. Prior year's permanent deficits which are no longer viewed as permanent are reversed in the profit and loss account or treated as a reserve transfer depending on where they were initially recorded.

2 (d) Loss on sale of fixed assets

On 11 July 2012, The Mall Limited Partnership sold Castle Mall Shopping Centre, Norwich, to Infrared European Active Real Estate Trust for the sum of £77.3m resulting in a net loss on disposal of £8.4m.

The loss arises by reference to the carrying value of this asset at December 2011 less sale costs.

The carrying value of this asset at December 2011 included a revaluation deficit of £0.5 million, which as a result of the transaction was realised and transferred within reserves from revaluation reserve to the profit and loss account. See note 13.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

3. Operating profit

Operating profit is stated after charging:

	Group		Partnership	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Fees payable to the Partnership's auditor for:				
- the audit of the Partnership's financial statements	46	46	46	46
- the audit of the subsidiary	6	6	6	6
Fees payable to the Partnership's auditor for non-audit services	-	-	-	-
Fund Manager's, Operator's and Property Managers' fees	6,569	6,460	6,569	6,369
	<u>6,569</u>	<u>6,460</u>	<u>6,569</u>	<u>6,369</u>

The Partnership had no employees in the current or prior year.

4. Interest receivable

	Group		Partnership	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Bank and other interest	92	72	19	29
	<u>92</u>	<u>72</u>	<u>19</u>	<u>29</u>

5. Interest payable and similar charges

	Group		Partnership	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Amortisation of deferred loan arrangement fees	(207)	(827)	(207)	(827)
Loan from Mall Funding plc	(27,902)	(40,477)	(27,900)	(40,475)
Hedge break cost	(2,316)	(1,276)	(2,316)	(1,276)
	<u>(30,425)</u>	<u>(42,580)</u>	<u>(30,423)</u>	<u>(42,578)</u>

6. Taxation

The provisions of Section 111 of the Income and Corporation Taxes Act 1988 require the taxable gains and losses of a limited Partnership to be assessable directly upon the Partners. Accordingly no provision has been made for taxation in these financial statements.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

7. Investment properties

Investment properties at group level

	Freehold £'000	Long leasehold £'000	Total £'000
Net valuation as at 1 January 2012	436,058	521,563	957,621
Additions at cost	1,266	1,393	2,659
Disposals	(84,389)	193	(84,196)
Surplus / (deficit) on revaluation	13	(11,802)	(11,789)
Net provision for impairment of investment properties for the year	(12,155)	(15,200)	(27,355)
Net valuation as at 31 December 2012	<u>340,793</u>	<u>496,147</u>	<u>836,940</u>

The investment properties are stated at market value as at 31 December 2012. The Group and Partnership's investment properties were valued in accordance with RICS Valuation Standards by CB Richard Ellis or Cushman & Wakefield LLP, professionally qualified chartered surveyors.

On the historical cost basis, investment properties at group level would have been included as follows:

	Freehold £'000	Long leasehold £'000	Total £'000
Cost less impairment as at 1 January 2012	385,663	531,380	917,043
Additions at cost	1,266	1,393	2,659
Disposals	(84,915)	193	(84,722)
Net provision for impairment of investment properties for the year	(12,155)	(15,200)	(27,355)
Net release of impairment charges recognised as a transfer from / (to) profit and loss account to revaluation reserve (see note 13)	(1,393)	4,411	3,018
Cost less impairment as at 31 December 2012	<u>288,466</u>	<u>522,177</u>	<u>810,643</u>

The investment properties are shown at cost of acquisition and additions less impairment.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

7. Investment properties (continued)

Investment properties at partnership level

	Freehold £'000	Long leasehold £'000	Total £'000
Net book value 1 January 2012	436,057	444,627	880,684
Additions at cost	1,252	1,081	2,333
Disposals	(84,389)	193	(84,196)
Surplus / (deficit) on revaluation	13	(4,492)	(4,479)
Net provision for impairment of investment properties for the year	(12,155)	(15,200)	(27,355)
Net book value at 31 December 2012	<u>340,778</u>	<u>426,209</u>	<u>766,987</u>

The investment properties are stated at market value as at 31 December 2012. The Group and Partnership's investment properties were valued in accordance with RICS Valuation Standards by CB Richard Ellis or Cushman & Wakefield LLP, professionally qualified chartered surveyors.

On the historical cost basis, investment properties at partnership level would have been included as follows:

	Freehold £'000	Long leasehold £'000	Total £'000
Cost less impairment as at 1 January 2012	385,661	448,394	834,055
Additions at cost	1,252	1,081	2,333
Disposals	(84,916)	193	(84,723)
Net impairment of investment properties for the year	(12,155)	(15,200)	(27,355)
Net provision for impairment charges recognised as a transfer from / (to) profit and loss account to revaluation reserve (see note 13)	(1,377)	561	(816)
Cost less impairment as at 31 December 2012	<u>288,465</u>	<u>435,029</u>	<u>723,494</u>

The investment properties are shown at cost of acquisition and additions less impairment.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

8. Investment in subsidiary

Partnership's investment in:

The Main
Square
Camberley
Unit Trust
£'000

Cost

At 1 January 2012 and 31 December 2012

138,320

Impairment

At 1 January 2012

(60,295)

Impairment

(7,297)

At 31 December 2012

(67,592)

Net book value

At 31 December 2012

70,728

At 31 December 2011

78,025

The investment is shown at cost of acquisition and additions less impairment.

The investment at 31 December 2012 represents a 99.99% (2011: 99.99%) holding in The Main Square Camberley Unit Trust. The Trust, which owns and manages an investment property, is registered in Jersey.

9. Debtors

	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Amounts falling due within one year:				
Trade debtors	4,557	6,228	4,176	5,833
Unamortised tenant incentives debtors	1,471	1,451	1,427	1,405
Unamortised rent free periods debtors	2,550	1,863	2,380	1,550
Prepayments and accrued income	2,938	2,668	15,657	11,025
Other debtors	76,015	83,386	76,011	85,544
	<u>87,531</u>	<u>95,596</u>	<u>99,651</u>	<u>105,357</u>
Amounts falling due after one year:				
Unamortised tenant incentives debtors	3,709	3,731	3,660	3,686
Unamortised rent free periods debtors	6,126	5,999	5,844	5,840
	<u>9,835</u>	<u>9,730</u>	<u>9,504</u>	<u>9,526</u>
	<u><u>97,366</u></u>	<u><u>105,326</u></u>	<u><u>109,155</u></u>	<u><u>114,883</u></u>

The Mall Limited Partnership

Notes to the financial statements (continued)

Year ended 31 December 2012

Debtors (continued)

Other debtors includes £70.1m (2011: £73.5m) which relates to amounts paid into the Cash Manager Issuer and Disposal Proceeds account, Excess Cash account, Budgeted Leasing and Capital Expenditure reserve account, Leasing and Capital Expenditure allowance account and the Liquidity Reserve account which are all held on behalf of the Bondholders. Other debtors also include £3.0m (2011: £5.4m) deferred consideration relating to warranties given to the purchaser of Bexleyheath in 2009, which is secured by cash held in escrow.

10. Creditors: amounts falling due within one year

	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Trade creditors	2,063	2,012	1,872	1,791
Other creditors	12,504	13,520	11,529	12,649
Deferred income	12,415	14,424	11,248	13,213
Accruals	14,524	17,627	14,147	17,389
	<u>41,506</u>	<u>47,583</u>	<u>38,796</u>	<u>45,042</u>

11. Creditors: amounts falling due after more than one year

Group and Partnership

	2012 £'000	2011 £'000
Loan with Mall Funding Plc	570,867	662,310
Unamortised loan arrangement fees	-	(207)
	<u>570,867</u>	<u>662,103</u>

The loan with Mall Funding Plc matures on 22 April 2015 (2011: 22 April 2015).

The loan facility with Mall Funding Plc is secured by legal mortgages in respect of the assets deemed as being part of the securitised pool (inclusive of directly owned assets and the investment in The Main Square Camberley Unit Trust).

The assets which are not deemed part of the securitised pool are the Allders Store in Camberley, Broadway Square and Debenhams Luton.

Interest is fixed quarterly at prevailing three month Libor, with a margin of 68bps (2011: 68bps).

At 31 December 2012, loan arrangement fees and other costs associated with the debt amounted to £11.2m (2011: £11.2m) with the unamortised balance of £nil (2011: £0.2m) being netted off against the outstanding loan balance.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

11. Creditors: amounts falling due after more than one year (continued)

The loan arrangement fees costs are being amortised over the period to maturity of the underlying loan facility on a straight line basis, or expensed on prepayments of the loan, and charged to profit and loss.

The total intercompany debt which amounted to £570.9 million is equal to the borrowings of The Mall Funding plc. As at 31 December 2012 (2011: £662.3 million), the debt of The Mall Funding plc is 100% hedged until 22 April 2015 (2011: 100% to 22 April 2015).

A valuation was carried out by JC Rathbone Associates as at 31 December 2012 to calculate the market value of the fixed rate swap on a replacement basis. The difference between the market value of the fixed rate swap, based on the interest rate yield curve as at 31 December 2012, and the rate historically committed, namely the fair value adjustment, would result in a fixed rate swap liability of £37.0m (2011: liability of £47.7m).

12. Partners' capital

	The Mall Property Unit Trust £'000	The Mall (GP) Ltd £'000	Total Partners' Capital £'000
Contributions at 1 January 2011 and 31 December 2012	972,721	340	973,061
Capital	27,026	340	27,366
Advance capital	945,695	-	945,695
Contributions at 31 December 2012	<u>972,721</u>	<u>340</u>	<u>973,061</u>

13. Reconciliation of Partners' interests and movements on reserves

	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Opening reserves at 1 January	(581,626)	(591,857)	(581,625)	(591,857)
Retained (loss) / profit for the financial year	(17,642)	527	(17,641)	2,515
Revaluation (deficit)/ surplus for the year	(11,789)	9,704	(11,791)	7,717
Closing reserves	<u>(611,057)</u>	<u>(581,626)</u>	<u>(611,057)</u>	<u>(581,625)</u>
Partners' capital	973,061	973,061	973,061	973,061
Other reserve	5,024	5,024	5,024	5,024
Closing Partners' interests at 31 December	<u>367,028</u>	<u>396,459</u>	<u>367,028</u>	<u>396,460</u>

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

13. Reconciliation of partners' funds and movements on reserves (continued)

Reconciliation of revaluation reserve	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Opening revaluation reserve at 1 January	40,580	(568)	46,631	9,894
Realised revaluation net deficit on sale of investment properties	528	3,502	528	3,502
Unrealised (deficit)/surplus on revaluation in financial year	(11,789)	9,704	(11,791)	7,717
Other recognised net (losses) / gains transferred (from) / to profit and loss account	(3,018)	27,942	(9,067)	25,518
Revaluation reserve at 31 December	<u>26,301</u>	<u>40,580</u>	<u>26,301</u>	<u>46,631</u>

Other recognised net (losses) / gains transferred to revaluation reserve from the profit and loss account pertain to the transfer from profit and loss reserves of losses previously considered permanent in prior years and now assessed as temporary.

Reconciliation of other reserve	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Other reserve at 31 December	<u>5,024</u>	<u>5,024</u>	<u>5,024</u>	<u>5,024</u>

Other reserve represents the transaction fees paid by new or existing Partners who contributed cash rather than property into the Partnership. The transaction fees are intended for use by the Partnership for the funding of acquisition costs incurred on future purchases made by the fund with the capital injected by new Partners.

Reconciliation of profit and loss account	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Opening profit and loss account at 1 January	(622,206)	(591,289)	(628,256)	(601,751)
Retained (loss) / profit for the financial year	(17,642)	527	(17,641)	2,515
Realised net loss transferred from revaluation reserve	(528)	(3,502)	(528)	(3,502)
Other recognised net gains / (losses) transferred to revaluation reserve	3,018	(27,942)	9,067	(25,518)
Profit and loss account at 31 December	<u>(637,358)</u>	<u>(622,206)</u>	<u>(637,358)</u>	<u>(628,256)</u>

14. Minority interest

The minority interest represents a 0.01% (2011: 0.01%) holding in The Main Square Camberley Unit Trust held by Capital and Regional (Mall Jersey) Limited.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

15. Notes to the statement of cash flows

(a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Operating profit / (loss)	23,809	53,281	18,930	49,383
Net provision for impairment of investment properties	27,355	13,726	27,355	13,726
Reversal of impairment of investment in subsidiary	-	-	-	(1,988)
Depreciation	-	-	-	-
Increase in debtors	6,215	778	6,322	655
Decrease in creditors	(8,612)	(13,053)	(6,458)	(12,626)
Net cash inflow from operating activities	<u>48,767</u>	<u>54,732</u>	<u>46,149</u>	<u>49,150</u>

(b) Distributions received from subsidiary undertaking

	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Distributions received from subsidiary undertaking	<u>10</u>	<u>-</u>	<u>468</u>	<u>-</u>

(c) Returns on investments and servicing of finance

	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Interest received	92	72	19	29
Interest paid	(32,436)	(45,639)	(32,437)	(45,639)
	<u>(32,344)</u>	<u>(45,567)</u>	<u>(32,418)</u>	<u>(45,610)</u>

(d) Capital expenditure and receipts from property disposals

	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Payments to acquire tangible fixed assets	(3,182)	(3,758)	(3,036)	(3,745)
Receipts on sale of tangible fixed assets	76,689	153,635	76,689	153,635
	<u>73,507</u>	<u>149,877</u>	<u>73,653</u>	<u>149,890</u>

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2012

15. Notes to the statement of cash flows (continued)

(e) Financing activities

	Group		Partnership	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Transfer of monies held on behalf of the bondholders (see note 9)	3,399	(937)	3,399	(937)
Repayment of loans	(91,443)	(165,428)	(91,443)	(165,428)
	<u>(88,044)</u>	<u>(166,365)</u>	<u>(88,044)</u>	<u>(166,365)</u>

(f) Reconciliation of Partnership net debt

	At 1 January 2012 £'000	Cash flow £'000	Non cash movements £'000	At 31 December 2012 £'000
	Cash at bank and in hand			30,013
Loan from Mall Funding plc	(662,310)	91,443	-	(570,867)
Unamortised loan arrangement fees	207	-	(207)	-
	<u>(632,090)</u>	<u>91,251</u>	<u>(207)</u>	<u>(541,046)</u>

(g) Reconciliation of Group net debt

	At 1 January 2012 £'000	Cash flow £'000	Non cash movements £'000	At 31 December 2012 £'000
	Cash at bank and in hand			43,204
Loan from Mall Funding plc	(662,310)	91,443	-	(570,867)
Unamortised loan arrangement fees	207	-	(207)	-
	<u>(618,899)</u>	<u>93,339</u>	<u>(207)</u>	<u>(525,767)</u>

16. Contingent liabilities and commitments

As at 31 December 2012 capital commitments amounted to £2.4m (2011: £2.4 m).

The Mall Limited Partnership

17. Related party transactions

Charges of £197,864 (2011: £198,970) and £1,748,351 (2011: £1,807,736) are included in these financial statements in respect of Aviva Investors Global Services Limited fees during the year as Operator and Fund Manager, of which £787,660 (2011: £671,248) was outstanding as at 31 December 2012. The ultimate parent company of Aviva Investors Global Services Limited is Aviva plc.

A charge of £4,623,206 (2011: £4,362,709) is included in these financial statements in respect of property asset management services provided during the year by Capital & Regional plc, the ultimate parent company of Capital & Regional (Mall GP) Limited, of which £1,665,662 (2011: £1,043,163) was outstanding as at 31 December 2012.

In accordance with the Partnership Agreement, distributions of net income have been allocated to the Partners in the proportion to their ownership percentage for the period to which the distribution relates. At the end of December 2012 the percentage holdings were; The Mall Property Unit Trust 99.96% (2011: 99.96%) and The Mall (General Partner) Limited 0.04% (2011: 0.04%).

Receipts of £4,950,665 (2011: £5,926,648) are included in these financial statements in respect of dividends received by The Mall Limited Partnership as majority owner of The Main Square Camberley Unit Trust, of which £4,950,665 (2011: £5,926,648) was outstanding as at 31 December 2012. The aggregate amount outstanding at 31 December 2012 was £13,071,342 (2011 : £8,574,855). The Main Square Camberley Unit Trust is owned by The Mall Limited Partnership and Capital & Regional (Mall Jersey) Limited. At the end of December 2012 the percentage holdings were; The Mall Limited Partnership 99.99 % (2011: 99.99%) and Capital & Regional (Mall Jersey) Limited 0.01% (2011: 0.01%).

There were no other related party transactions requiring disclosure.

18. Controlling party

The Partnership's general partner is The Mall (General Partner) Limited, a company incorporated in Great Britain and registered in England and Wales.

The Mall (General Partner) Limited is jointly owned by Capital & Regional (Mall GP) Limited, a subsidiary of Capital & Regional plc, and by Norwich Union (Mall GP) Limited, a subsidiary of the Aviva plc group of companies. No party has overall control.

19. Post balance sheet events

On 22 January 2013, The Mall Limited Partnership made a £6.0m prepayment of the inter-company loan made available from excess cash held within the Partnership.

On 22 April 2013, The Mall Limited Partnership made a £17.4m prepayment of the inter-company loan made available from excess cash held within the Partnership.

Registered in England No. LP007977

The Mall Limited Partnership

Report and Consolidated Financial Statements

31 December 2013

The Mall Limited Partnership

Report and consolidated financial statements 2013

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The Mall Limited Partnership

Report and consolidated financial statements 2013

Partners, advisers and other information

Partners

Limited Partner:

The Mall Unit Trust

General Partner:

The Mall (General Partner) Limited

Registered Office

St Helen's
1 Undershaft
London
EC3P 3DQ

Bankers

The Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Auditor

Deloitte LLP
London

The Mall Limited Partnership

General Partner's report to the partnership

The General Partner has pleasure in presenting its report on the affairs of the Group (The Mall Limited Partnership and its share of The Camberley Unit Trust) and Partnership for the year ended 31 December 2013 together with the consolidated financial statements.

Principal activity

The principal activity of the Partnership is the managing, letting, refurbishing, developing and holding of shopping malls for investment purposes.

For the foreseeable future, the General Partner expects the focus of the fund to be on maintaining and growing income through re-letting voids and re-gearing existing tenancies along with undertaking opportunistic sales that add to performance and reduce risk for the fund.

In preparing the financial statements, the General Partner has adopted the going concern basis as set out in note 1 to the financial statements.

Enhanced business review

1. Objectives/strategy

The Mall Limited Partnership is a UK shopping centre property specialist. Our objective is to outperform our benchmark (the All Shopping Centres Series of The Investment Property Databank's UK Annual Index) by driving revenue and capital growth through the delivery of individual property business plan initiatives.

Our Malls have all been acquired under the following investment criteria:

- Town centre locations
- Dominant in localised town catchment or a strong market position in a metropolitan catchment
- Minimum 150,000 sq ft/13,935 sq m gross internal area
- Car park or public transport facilities
- Covered, or able to be
- Tenant profile "mass market" or "value" retail
- Revenue and capital growth potential
- Value adding management opportunities

2. Partnership performance

The business review is required to contain financial and where applicable, non-financial key performance indicators ("KPIs"). The General Partner considers that, in line with the activities and objectives of the business, the KPIs set out below are those which communicate the performance of the Fund as a whole. These KPIs comprise of:

	2013	2012
Fund Return	-2.9%	-6.0%
Capital Value	£685m	£851m
No of Assets	6	8
Net Income (valued)	£50.2m	£64.3m
ERV (valued)	£61.9m	£79.1m
Distribution Yield	0.7%	0.8%
Initial Yield	6.9%	7.0%
Equivalent Yield	7.3%	7.5%
Footfall Visits	74.0m	92.9m
Voids	3.7%	2.8%

The Mall Limited Partnership

General Partner's report to the partnership (continued)

3. Capital management, purchases and disposals

On 22 January 2013, The Mall Limited Partnership made a £6.0m prepayment of the inter-company loan made available from excess cash held within the Partnership.

On 22 April 2013, The Mall Limited Partnership made a £17.4m repayment of the inter-company loan made available from excess cash held within the Partnership.

On 12 July 2013, The Mall Limited Partnership sold Gracechurch Centre, Sutton Coldfield to British Overseas Bank Nominees and WGTC Nominees Limited for the sum of £87.98m resulting in a net loss on disposal of £8.3m recognised by The Mall Limited Partnership.

On 12 July 2013, The Mall Limited Partnership sold Pavilions Centre, Uxbridge to Mars Pension Trustees Limited for the sum of £64.5m resulting in a net loss on disposal of £11.8m recognised by The Mall Limited Partnership.

On 22 July 2013, The Mall Limited Partnership made a £168.0m repayment of the inter-company loan made available from the proceeds from the sales at Sutton Coldfield and Uxbridge, release of monies previously retained for capital expenditure and excess cash held within the Partnership.

Following this repayment The Mall Limited Partnership exited the debt restriction event within the restructured CMBS documentation and will remain outside the restriction event as long as LTV remains below 60%. This exit released control of the Partnership's cash which was returned to the Partnership bank account and also allows the Partnership to distribute income in accordance with the Partnership documentation.

Total debt amounted to £379.5m as at the end of December 2013, which is 100% hedged from floating to fixed rates for another 1.25 years. The fair value adjustment on the hedged debt as at December 2013 would decrease the Group's net asset value by £13.3m (2012: £37.0m).

The average cost of debt (including margin) as at 31 December 2013 stood at 4.11% (2012: 4.11%).

4. Principal risks

The key risks arising in the Partnership are liquidity, market, credit, and operational risks which are discussed in more detail below.

Financial instruments:

The Partnership's principal financial instrument comprises an inter-company loan with Mall Funding plc. The purpose of this financial instrument is to finance the operations of the Partnership. In 2008 the Partnership set up a Commercial Mortgage Backed Securitisation ("CMBS") to provide it with debt finance. Under these arrangements The Mall Funding plc, a special purpose vehicle, issued floating rate notes which are listed on the Irish Stock Exchange. The Mall Funding plc entered into interest rate swaps to fix the costs of its borrowings. The funds raised were lent to the Partnership via an inter-company loan and the Partnership indemnified The Mall Funding plc for the liabilities arising from its interest rate swaps. In July 2010 the terms of the CMBS were restructured with the consent of the noteholders of The Mall Funding plc's notes. As a result of the restructure the Trustee for the noteholders took control of the Partnership's bank and cash balances, and the Partnership was restricted from making distributions until both the debt outstanding under the CMBS was less than £600 million and its LTV was less than 60%.

The Mall Limited Partnership

General Partner's report to the partnership (continued)

Financial instruments (continued)

The principal risks arising from the Partnership's financial instruments are interest rate risk and liquidity risk. The General Partner reviews these risks and develops policies for managing each type of risk as follows:

(i) **Interest rate risk**

The Partnership's policy is to eliminate substantially all the exposure to interest rate fluctuations in order to provide certainty over the amount of interest payable. The following table sets out the carrying amounts, by maturity, of the Partnership's financial instruments.

Interest rate risk (continued)

31 December 2013	Weighted Average Interest Rate	Less than 1 year	1 to 5 years	More than 5 years	Total
	%	£'000	£'000	£'000	£'000
Floating rate Cash	0.5	71,845	-	-	71,845
Fixed rate Bank loans and swap*	4.11	-	379,453	-	379,453

31 December 2012	Weighted Average Interest Rate	Less than 1 year	1 to 5 years	More than 5 years	Total
	%	£'000	£'000	£'000	£'000
Floating rate Cash	0.5	45,100	-	-	45,100
Fixed rate Bank loans and swap*	4.11	-	570,867	-	570,867

*The bank loans and swap reflect the Fund's total exposure to debt held as a loan from The Mall Funding plc.

100% of debt at 31 December 2013 has been fixed for a further 1.25 years via two fixed rate swap instruments (see note 11).

(ii) **Liquidity risk**

Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The partnership projects and monitors prudent forward looking interest cover ratios and has a liquidity facility in place with Barclays Plc.

The Mall Limited Partnership

General Partner's report to the partnership (continued)

4. Principal risks (continued)

Financial instruments (continued)

Loan Covenant Adherence

The risk of failure to adhere to the various loan covenant requirements is mitigated through the Partnership's active management of its debt facility and effective communication with the lenders of finance.

The LTV (loan to value) covenant (defined as outstanding debt less cash held in both the Disposal Proceeds account and the Excess Cash account divided by gross property value) was 56.0% as at 31 December 2013 (2012: 67.6%) against a covenant ratio of 71% (2012: 77%).

Interest Cover Ratios

	2013	2012
1 Year Projected Interest Cover Ratio	2.33%	2.05%
Covenant ratio	1.30%	1.30%
1 Year Historic Interest Cover Ratio	2.16%	1.92%
Covenant ratio	1.30%	1.30%

(iii) Market risk

The Partnership's exposure to market risk takes the form of property valuations and rental income, which have a direct impact on the value of investments. The management of this risk falls within the mandate of Aviva Investors Global Services Limited, which makes and manages investments on behalf of the Fund.

(iv) Credit risk

The Partnership does not have a significant exposure to credit risk as receivables are mainly short-term trading items or inter-company balances. The Partnership's investments are managed by agents who have responsibility for the prompt collection of amounts due.

Tenant default risk

The current economic environment continues to contain a risk of tenant default. The Partnership manages this risk by ensuring that a dedicated credit control team is engaged in collecting the advance quarterly or monthly rent from tenants as soon as it falls due.

Tenants in Administration

	Units	Rent roll £m
Total 2013	33	2.0
Total 2012	67	6.0

The Mall Limited Partnership

General Partner's report to the partnership (continued)

4. Principal risks (continued)

Credit risks (continued)

Tenants on Monthly Terms – passing rent

	December 2013	December 2012
Percentage extra contractual concession	5.44%	3.71%
Percentage on contracted monthly terms	22.85%	21.41%
Total percentage on monthly terms	28.29%	25.11%

(v) Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of the Aviva Group approach to operational risk are set out in the financial statements of Aviva Investors Global Services Limited, which manages and administers the Partnership's investments. Details of the Capital & Regional plc's approach to operational risk, as the Property Manager to the fund, are set out in the financial statements of Capital & Regional plc.

5. Key relationships

Our most important relationships are with our tenants and our shoppers to ensure growth in the business.

We have approximately 373 retailers (2012: 502), the largest of whom is Alliance Boots group, accounting for 5.5% (2012: 5.1%) of the rent roll. The top 20 tenants account for 45% of the rent roll (2012: 41%).

Each Mall is more than just a collection of shops, it is a venue at the heart of its community; local people serving local people. We aim to recruit General Managers with retailer experience, and to place them at the centre of our operation. Each Mall has access to marketing, financial, HR, IT and surveying expertise located at our London and Glasgow offices.

Our objective is to provide and promote a clean, safe and stimulating shopping environment, with the retail mix relevant to each local community. We create both the right space for retailers, and create, manage and market an exciting branded retail environment for our shoppers.

Our fund and property manager relationships are also regarded as key. The Mall Limited Partnership is a specialist property fund managed by Aviva Investors Global Services Limited and Capital & Regional Property Management Limited.

6. Environmental issues

Shopping centres are unique in their interface and outreach positioning; they form an interface between retailers and vast numbers of the UK population, and demand environmentally respectful behaviour. By establishing industry standards customised to each individual shopping centre and then monitoring progress towards a self-sustainable footprint the Mall is working to minimise its environmental impact.

The Mall Limited Partnership is registered as a participant in the Carbon Reduction Energy Efficient Scheme.

7. Results and distributions

The loss for the Group for the year, before distributions and after minority interests' shares, was -£16.6m (2012: loss -£14.6m). Accrued income distributions to unitholders during the year were £2.4m (2012: £3.0m).

The Mall Limited Partnership

General Partner's report to the partnership (continued)

8. Partners and Partners' Interests

The Partners as at 31 December 2013 and their interests in the equity and advance capital were as follows:

	Equity capital £'000	Advance capital £'000
The Mall Unit Trust	27,026	945,695
The Mall (General Partner) Limited	340	-
	<hr/>	<hr/>
Total Equity	27,366	945,695
	<hr/> <hr/>	<hr/> <hr/>

9. Payment policy

It is the Partnership's policy that payments to suppliers for goods and services to the Partnership are made in accordance with the policies of Aviva plc and Capital & Regional plc as appropriate and as reported in their respective accounts.

10. Performance fees

The fund management agreement and the property and asset management agreement provide for a performance fee payable by the Partnership to Capital & Regional Property Management Limited for providing property and asset management services and Aviva Investors Global Services Limited (together "the Managers") for providing fund management services. The performance fee agreement has been agreed between the General Partner and the Managers and is approved by the Obligor Security Trustee. The legal documentation was completed in April 2013. The performance fee becomes payable upon one of five trigger events which are defined as; the date of the sale of the last property prior to a winding up of the Partnership, the trust is converted in to a vehicle whose shares or units or other ownership interest is listed on a recognised stock exchange which is either in the UK or has substantially similar levels of liquidity to the official list or AIM, all the units are sold pursuant to clause 9 of the Trust Instrument, the date on which a cash offer for the purchase of all the units is accepted by the holders of at least 50% of the units and becomes unconditional or the date on which the Trust disposes of its entire holding of Partnership units following a special resolution of the unit holders of the Trust to authorise such a sale.

The fee is calculated based on property level performance (taking the 30 June 2010 valuation as the start point) relative to the IPD Shopping Centre Index excluding the Partnership's assets (the benchmark). A fee is payable if both the Fund's un-gearred property level internal rate of return (IRR) is more than 50 bps greater than the benchmark IRR and the Fund level geared IRR is greater than 0%. Out performance of the un-gearred property level IRR between 50 and 150 bps would result in a fee of 20% of the outperformance. This rises to 30% of the out-performance between 150 to 300 bps. No further fee accrues for out-performance in excess of 300bps. The fee payable is to be split equally between the Managers. If a trigger event had occurred on 31st December 2013 the current estimate of fees that would be payable using the Quarterly IPD Shopping Centre Index as the benchmark would be £12.9m.

No trigger event has occurred up to 31 December 2013 and the Board have concluded that such an event is not probable in the foreseeable future. Management have considered the likelihood of a fee crystallising considering the historic relative internal rate of returns of the Partnership and the IPD benchmark and do not consider it probable a fee will arise in the foreseeable future.

11. Post balance sheet events

There were no post balance sheet events.

The Mall Limited Partnership

General Partner's report to the partnership (continued)

12. Going Concern

The General Partner has a reasonable expectation that the Partnership and the Group have adequate resources to continue in operational existence for the foreseeable future.

The intercompany loan facility terminates in April 2015. Terms have been agreed by the respective credit committees and documentation is nearing completion for a new five year facility to replace the existing intercompany loan with Mall Funding Plc. The current debt facility trustee has been made aware of the Partnership's intentions and documentation and methodology for the collapse of the intercompany loan between the Partnership and Mall Funding Plc. The new facility is expected to complete in May 2014 and credit committee approval been achieved.

Thus it continues to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

13. Auditor

At the date of approval of this report, the General Partner confirms that:

- so far as the General Partner is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and
- the General Partner has taken all the steps that ought to have been taken as the General Partner in order to make itself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as auditor and have expressed their willingness to continue in office.

On behalf of the Partnership



B S Hill
Director
The Mall (General Partner) Limited
9 May 2014

The Mall Limited Partnership

Statement of General Partner's responsibilities

The General Partner is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the Group and of the profit or loss of the Partnership and of the Group for that period. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and to enable it to ensure that the financial statements comply with the Companies Act 2006 as applicable to qualifying partnerships. It is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Partners of The Mall Limited Partnership

We have audited the financial statements of The Mall Limited Partnership for the year ended 31 December 2013 which comprise the consolidated and Partnership profit and loss account, consolidated and Partnership statement of total recognised gains and losses, consolidated and Partnership note of historical cost profit and losses, consolidated and Partnership balance sheets, consolidated and Partnership statement of cash flows, consolidated and Partnership reconciliation of net cash flow to movement in net debt and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and the qualifying partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of general partner and auditor

As explained more fully in the Statement of General Partners' Responsibilities, the general partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the general partner; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and qualifying partnership's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of general partners' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Georgina Robb FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

13 May 2014

The Mall Limited Partnership

Consolidated and partnership profit and loss account Year ended 31 December 2013

	Notes	Group 2013 £'000	2012 £'000	Partnership 2013 £'000	2012 £'000
Turnover	2 (a)	75,583	93,588	68,099	85,712
Cost of sales	2 (b)	(27,262)	(34,556)	(24,375)	(31,670)
Gross profit		48,321	59,032	43,724	54,042
Management expenses		(6,828)	(6,664)	(6,721)	(6,569)
Administrative expenses		(1,085)	(1,204)	(1,082)	(1,188)
Net provision for permanent impairment of investment properties	2 (c)	(7,750)	(27,355)	(7,750)	(27,355)
		(15,663)	(35,223)	(15,553)	(35,112)
Operating profit	3	32,658	23,809	28,171	18,930
Loss on sale of fixed assets	2 (d)	(19,888)	(8,119)	(19,888)	(8,119)
Profit on ordinary activities before interest		12,770	15,690	8,283	10,811
Investment income		-	-	4,504	4,951
Interest receivable	4	69	92	40	19
Interest payable and similar charges	5	(29,397)	(30,425)	(29,395)	(30,423)
Loss for the financial year		(16,558)	(14,643)	(16,568)	(14,642)
Minority interest		(1)	(2)	(1)	(1)
Loss for financial year attributable to Partners and retained loss		(16,559)	(14,645)	(16,569)	(14,643)
Distributions		(2,569)	(2,997)	(2,559)	(2,998)
		(19,128)	(17,642)	(19,128)	(17,641)

All results derive from continuing activities.

The Mall Limited Partnership

Consolidated and partnership statement of total recognised gains and losses Year ended 31 December 2013

	Note	Group		Partnership	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
Loss for the financial year attributable to Partners		(16,559)	(14,645)	(16,569)	(14,643)
Unrealised surplus / (deficit) on revaluation of freehold and leasehold properties	13	6,064	(11,789)	6,064	(11,789)
Total recognised losses for the year		<u>(10,495)</u>	<u>(26,434)</u>	<u>(10,505)</u>	<u>(26,432)</u>

Consolidated and partnership note of historical cost profit and losses Year ended 31 December 2013

	Notes	Group		Partnership	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
Loss for the financial year		(16,558)	(14,643)	(16,568)	(14,642)
Realisation of investment properties					
revaluation net deficit of previous years	2(d)	(2,749)	(528)	(2,749)	(528)
Other recognised gains transferred to revaluation reserve from profit and loss account	13	9,359	3,018	9,359	9,067
Historical cost loss on ordinary activities		(9,948)	(12,153)	(9,959)	(6,103)
Minority interest		(1)	(2)	(1)	(1)
Distributions		(2,569)	(2,997)	(2,559)	(2,998)
Historical cost loss for the year retained after minority interest		<u>(12,518)</u>	<u>(15,152)</u>	<u>(12,519)</u>	<u>(9,102)</u>

The Mall Limited Partnership

Consolidated and partnership balance sheets 31 December 2013

	Notes	Group		Partnership	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
Fixed assets					
Investment properties	7	672,951	836,940	602,567	766,987
Investment in subsidiary	8	-	-	69,823	70,728
		<u>672,951</u>	<u>836,940</u>	<u>672,390</u>	<u>837,715</u>
Current assets					
Debtors due after more than one year	9	7,950	9,835	7,586	9,504
Debtors due within one year	9	14,867	87,531	15,034	99,651
Cash at bank and in hand		71,845	45,100	68,676	29,821
		<u>94,662</u>	<u>142,466</u>	<u>91,296</u>	<u>138,976</u>
Creditors: amounts falling due within one year	10	<u>(34,191)</u>	<u>(41,506)</u>	<u>(30,269)</u>	<u>(38,796)</u>
Net current assets		<u>60,471</u>	<u>100,960</u>	<u>61,027</u>	<u>100,180</u>
Total assets less current liabilities		<u>733,422</u>	<u>937,900</u>	<u>733,417</u>	<u>937,895</u>
Creditors: amounts falling due after more than one year	11	<u>(379,453)</u>	<u>(570,867)</u>	<u>(379,453)</u>	<u>(570,867)</u>
Net assets excluding partners' interests		<u>353,969</u>	<u>367,033</u>	<u>353,964</u>	<u>367,028</u>
Partners' interests					
Partners' capital	12	973,061	973,061	973,061	973,061
Revaluation reserve	13	25,755	26,301	25,755	26,301
Other reserve	13	5,024	5,024	5,024	5,024
Profit and loss account	13	(649,876)	(637,358)	(649,876)	(637,358)
		<u>353,964</u>	<u>367,028</u>	<u>353,964</u>	<u>367,028</u>
Partners' interests		<u>353,964</u>	<u>367,028</u>	<u>353,964</u>	<u>367,028</u>
Minority interest	14	5	5	-	-
Total funds employed		<u>353,969</u>	<u>367,033</u>	<u>353,964</u>	<u>367,028</u>

As required by The Partnerships (Accounts) Regulations 2008 these financial statements have been prepared according to the accounting provisions of the Companies Act 2006, as applicable.

The accounts of The Mall Limited Partnership, registered number LP007977, were approved and authorised for issue on behalf of the General Partner on 9 May 2014



B S Hill
Director
The Mall (General Partner) Limited

The Mall Limited Partnership

Consolidated and partnership statement of cash flows Year ended 31 December 2013

	Notes	Group		Partnership	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
Net cash inflow from operating activities	15(a)	34,476	48,767	28,828	46,149
Distributions received from subsidiary undertakings	15(b)	-	10	16,295	468
Returns on investments and servicing of finance	15(c)	(30,830)	(32,344)	(30,860)	(32,418)
Capital expenditure and receipts from property disposals	15(d)	144,416	73,507	145,909	73,653
Cash inflow before financing		148,062	89,940	160,172	87,852
Financing	15(e)	(121,317)	(88,044)	(121,317)	(88,044)
Net increase / (decrease) in cash		26,745	1,896	38,855	(192)

Consolidated and partnership reconciliation of net cash flow to movement in net debt Year ended 31 December 2013

	Notes	Group		Partnership	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
Net increase / (decrease) in cash		26,745	1,896	38,855	(192)
Cash outflow from other loans		191,413	91,443	191,413	91,443
Non cash movements		-	(207)	-	(207)
Movement in net debt		218,158	93,132	230,268	91,044
Opening net debt at 1 January		(525,767)	(618,899)	(541,046)	(632,090)
Net debt at 31 December	15(f) & (g)	(307,609)	(525,767)	(310,778)	(541,046)

The Mall Limited Partnership

Notes to the financial statements Year ended 31 December 2013

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of investment properties and in accordance with applicable United Kingdom accounting standards using the following accounting policies as set out below which have been applied consistently throughout the current and preceding year.

Basis of preparation

The financial statements have been prepared in accordance with Companies Act 2006, as applied by The Partnership (Accounts) Regulations 2008.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Partnership and its subsidiary undertaking, The Camberley Main Square Unit Trust, as at 31 December 2013. The results of subsidiaries acquired or sold are consolidated for the period from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Going concern basis

The current economic climate has created a number of uncertainties as set out on pages 4 to 6. The business activity of the Group and Partnership, together with the factors likely to affect its future development, performance and position are set out on pages 2 to 8. The financial position of the Group and Partnership, their liquidity position and borrowing facilities are set out in these financial statements.

The General Partner has reviewed the current and projected financial position of the Group, making reasonable assumptions about future trading performance. After making enquiries, the General Partner has a reasonable expectation that the Group and Partnership have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the General Partner continues to adopt the going concern basis in preparing these financial statements.

Investment property

In accordance with the Statement of Standard Accounting Practice No 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Deficits which are considered to be permanent are charged to the profit and loss account. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold properties with over 20 years to expire. This treatment represents a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the Partners consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is, therefore, necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which may otherwise have been shown cannot be separately identified or quantified.

Property assets are included as investment property on completion of contracts.

The Mall Limited Partnership

Notes to the financial statements (continued)

Year ended 31 December 2013

1. Accounting policies (continued)

Investments

Investments in subsidiaries are shown in the balance sheet at cost of acquisition less provision for impairment.

Tenant incentives

Rent free periods given to tenants are shown as a debtor and are amortised over the earlier of either the period of the lease, or, to the date when the rent is adjusted to the prevailing market rate, usually the first rent review. The amount that is recognised as a debtor is written down to the extent that it is not expected to be recovered. The valuation of the properties is reduced by the unamortised rent free balance. Capital contributions given to tenants are shown as a debtor, and amortised over the earlier of either the period of the lease, or, to the date when the rent is adjusted to the prevailing market rate, usually the first rent review. The amount that is recognised as a debtor is written down to the extent that it is not expected to be recovered. The valuation of the properties is reduced by the unamortised capital contributions.

Financial instruments

The Partnership's loan with The Mall Funding plc is at fixed rates. The Mall Funding plc holds listed debt and enters into derivative transactions in the form of interest rate swaps, to manage the interest rate risk arising from its floating rate borrowings. At 31 December 2013 100.0% (2012: 100.0%) of the borrowings were at fixed rates after taking account of interest rate swaps. As part of the intercompany agreement, the Partnership provides funds to The Mall Funding plc for all loan related transactions. Hence, amounts payable and receivable under the swap agreement of The Mall Funding plc with external banks are included within the related interest payable on the loan.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

Long term borrowings

Interest bearing loans are recorded at the proceeds received, net of direct issue costs. Interest expenses are accounted for on the accrual basis in the profit and loss account using the effective interest rate.

Loan arrangement costs

Costs relating to the raising of loan facilities are amortised over the estimated life of the loan, or expensed on prepayments of the loan, and charged to the profit and loss account as part of the interest expense. The loans are disclosed net of unamortised issue costs.

Turnover

Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated rebates or similar allowances.

Rental income from investment properties is recognised on a straight-line basis over the relevant lease.

Performance fees

The Partnership pays performance fees to Capital & Regional Property Management Limited for providing property and asset management services and Aviva Investors Global Services Limited for providing fund management services. The performance fees are payable when triggered by defined exit events provided that the Partnership has achieved an internal rate of return of more than 0% and the property level return is greater than the annual IPD benchmark for shopping centres by at least 50 basis points for the performance period.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2013

1. Accounting policies (continued)

Plant and equipment

Plant and equipment are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than investment properties and land, over their expected useful lives:

Fixtures and fittings - over four years, on a straight line basis.

Distributions

Income produced by the Partnership's investment properties and other sources is distributed to the Partners to the extent that the Partnership's income exceeds expenses, on a quarterly basis in accordance with the Partnership Deed.

The General Partner and the Fund Manager are required to ensure that no distribution is made that would render the Partnership insolvent or unable to pay its expenses for the six month period following a distribution, having regard to the expected receipts of the Partnership, or put the Partnership in breach of the terms of any of its financing agreements.

2 (a) Turnover

Turnover, which excludes value added tax, represents rental and ancillary income and service charge income earned from third parties. Ancillary income comprises rent from short-term tenants of mobile units, car park income and other sundry income. Turnover is attributable to one continuing activity in the UK, the letting and management of property. Turnover includes the impact of the application of UITF Abstract 28 "Operating Lease Incentives", so that the cost of the incentive is recognised as a reduction of rental income over the lease term or the expected term until the prevailing market rental will be paid.

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Gross rental income	53,799	65,195	47,945	58,996
Insurance commission	41	5	41	5
Leasing and surrender premiums	57	221	57	221
Ancillary income	9,523	10,871	9,394	10,732
	<u>63,420</u>	<u>76,292</u>	<u>57,437</u>	<u>69,954</u>
Service charge income	12,163	17,296	10,662	15,758
Turnover	<u><u>75,583</u></u>	<u><u>93,588</u></u>	<u><u>68,099</u></u>	<u><u>85,712</u></u>

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2013

2 (b) Cost of sales

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Rents Payable	3,201	3,525	3,011	3,312
Legal & Professional Fees	1,810	2,347	1,636	2,171
Irrecoverable service charge costs	4,194	4,298	3,712	3,786
Promotions	697	829	608	734
Car Park Operations	3,295	4,103	3,295	4,103
Bad and doubtful debts	908	1,256	501	961
Other	994	902	950	845
	<u>15,099</u>	<u>17,260</u>	<u>13,713</u>	<u>15,912</u>
Recoverable service charge costs	<u>12,163</u>	<u>17,296</u>	<u>10,662</u>	<u>15,758</u>
Cost of sales	<u><u>27,262</u></u>	<u><u>34,556</u></u>	<u><u>24,375</u></u>	<u><u>31,670</u></u>

2 (c) Provision for Impairment

Impairment arises as a result of the reduction in the valuation of the Group's investment properties, and the net realisable value in the case of the Partnership's investment, following revaluation of the investment properties held within the Partnership and its investment in its subsidiary, The Main Square Camberley Unit Trust. Permanent impairments can also arise due to reductions in the General Partner's estimation of future exit values. Deficits which are expected to continue until the Mall Fund's term to 2017 are treated as permanent and charged to the profit and loss account or, if they have been reported in the statement of total recognised gains and losses in prior years, as a transfer between revaluation reserve and profit and loss account. Prior year's permanent deficits which are no longer viewed as permanent are reversed in the profit and loss account or treated as a reserve transfer depending on where they were initially recorded.

2 (d) Loss on sale of fixed assets

On 12 July 2013, The Mall Limited Partnership sold the Gracechurch Centre, Sutton Coldfield to British Overseas Bank Nominees and WGTC Nominees Limited for the sum of £87.98m resulting in a net loss on disposal of £8.3m.

On 12 July 2013, The Mall Limited Partnership sold the Pavilions Centre, Uxbridge to Mars Pension Trustees Limited for the sum of £64.5m resulting in a net loss on disposal of £11.8m.

The losses arise by reference to the carrying value of these assets at December 2012 less sale costs.

The carrying value of these assets at December 2012 included a revaluation deficit of £2.7 million, which as a result of the transaction was realised and transferred within reserves from revaluation reserve to the profit and loss account. See note 13.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2013

3. Operating profit

Operating profit is stated after charging:

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Fees payable to the Partnership's auditor for:				
- the audit of the Partnership's financial statements	42	46	42	46
- the audit of the subsidiary	6	6	6	6
Fees payable to the Partnership's auditor for non-audit services				
Fund Manager's, Operator's and Property Managers' fees	6,828	6,569	6,721	6,569
	<u>6,828</u>	<u>6,569</u>	<u>6,721</u>	<u>6,569</u>

The Partnership and the Group had no employees in the current or prior year.

4. Interest receivable

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Bank and other interest	69	92	40	19
	<u>69</u>	<u>92</u>	<u>40</u>	<u>19</u>

5. Interest payable and similar charges

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Amortisation of deferred loan arrangement fees	-	(207)	-	(207)
Loan from Mall Funding plc	(19,663)	(27,902)	(19,661)	(27,900)
Hedge break cost	(9,734)	(2,316)	(9,734)	(2,316)
	<u>(29,397)</u>	<u>(30,425)</u>	<u>(29,395)</u>	<u>(30,423)</u>

6. Taxation

The provisions of Section 111 of the Income and Corporation Taxes Act 1988 require the taxable gains and losses of a limited Partnership to be assessable directly upon the Partners. Accordingly no provision has been made for taxation in these financial statements.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2013

7. Investment properties

Investment properties at group level

	Freehold £'000	Long leasehold £'000	Total £'000
Net valuation as at 1 January 2013	340,793	496,147	836,940
Additions at cost	546	3,557	4,103
Disposals	(91,659)	(74,747)	(166,406)
Surplus on revaluation	74	5,990	6,064
Net provision for impairment of investment properties for the year	(7,750)	-	(7,750)
Net valuation as at 31 December 2013	<u>242,004</u>	<u>430,947</u>	<u>672,951</u>

The investment properties are stated at market value as at 31 December 2013. The Group and Partnership's investment properties were valued in accordance with RICS Valuation Standards by CBRE or Cushman & Wakefield LLP, professionally qualified chartered surveyors.

On the historical cost basis, investment properties at group level would have been included as follows:

	Freehold £'000	Long leasehold £'000	Total £'000
Cost less impairment as at 1 January 2013	288,466	522,177	810,643
Additions at cost	546	3,557	4,103
Disposals	135	-	135
Net provision for impairment of investment properties for the year	(7,750)	-	(7,750)
Net release of impairment charges recognised as a transfer from / (to) profit and loss account to revaluation reserve (see note 13)	(875)	10,234	9,359
Cost less impairment as at 31 December 2013	<u>280,522</u>	<u>535,968</u>	<u>816,490</u>

The investment properties are shown at cost of acquisition and additions less impairment.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2013

7. Investment properties (continued)

Investment properties at partnership level

	Freehold £'000	Long leasehold £'000	Total £'000
Net book value 1 January 2013	340,778	426,209	766,987
Additions at cost	546	2,222	2,768
Disposals	(91,659)	(74,747)	(166,406)
Surplus on revaluation	74	6,894	6,968
Net provision for impairment of investment properties for the year	(7,750)	-	(7,750)
Net book value at 31 December 2013	<u>241,989</u>	<u>360,578</u>	<u>602,567</u>

The investment properties are stated at market value as at 31 December 2013. The Group and Partnership's investment properties were valued in accordance with RICS Valuation Standards by CBRE or Cushman & Wakefield LLP, professionally qualified chartered surveyors.

On the historical cost basis, investment properties at partnership level would have been included as follows:

	Freehold £'000	Long leasehold £'000	Total £'000
Cost less impairment as at 1 January 2013	288,465	435,029	723,494
Additions at cost	546	2,222	2,768
Disposals	135	-	135
Net impairment of investment properties for the year	(7,750)	-	(7,750)
Net provision for impairment charges recognised as a transfer from / (to) profit and loss account to revaluation reserve (see note 13)	(875)	23,639	22,764
Cost less impairment as at 31 December 2013	<u>280,521</u>	<u>460,890</u>	<u>741,411</u>

The investment properties are shown at cost of acquisition and additions less impairment.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2013

8. Investment in subsidiary

Partnership's investment in:

	The Main Square Camberley Unit Trust £'000
Cost	
At 1 January 2013 and 31 December 2013	138,320
Impairment	
At 1 January 2013	(67,592)
Impairment	(905)
At 31 December 2013	(68,497)
Net book value	
At 31 December 2013	69,823
At 31 December 2012	70,728

The investment is shown at cost of acquisition and additions less impairment.

The investment at 31 December 2013 represents a 99.99% (2012: 99.99%) holding in The Main Square Camberley Unit Trust. The Trust, which owns and manages an investment property, is registered in Jersey.

9. Debtors

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Amounts falling due after one year:				
Unamortised tenant incentives debtors	3,298	3,709	3,158	3,660
Unamortised rent free periods debtors	4,652	6,126	4,428	5,844
	7,950	9,835	7,586	9,504
Amounts falling due within one year:				
Trade debtors	4,297	4,557	3,638	4,176
Unamortised tenant incentives debtors	1,662	1,471	1,582	1,427
Unamortised rent free periods debtors	2,087	2,550	1,815	2,380
Prepayments and accrued income	2,634	2,938	3,812	15,657
Other debtors	4,187	76,015	4,187	76,011
	14,867	87,531	15,034	99,651
	22,817	97,366	22,620	109,155

The Mall Limited Partnership

Notes to the financial statements (continued)

Year ended 31 December 2013

9. Debtors (continued)

As set out in Section 3 of the General Partner's Report, whilst the Partnership was in a restriction event the Trustee for the noteholders controlled the Partnership's bank and cash balances. Following the exit from these restrictions the Trustee has released this cash to the Partnership. As a result £70.1m was shown in debtors in 2012 but is now reflected under cash at bank.

Other debtors in 2012 also included £3.0m deferred consideration relating to warranties given to the purchaser of Bexleyheath in 2009, which were secured by cash held in escrow and repaid to the Partnership in 2013.

10. Creditors: amounts falling due within one year

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Trade creditors	1,810	2,063	1,594	1,872
Other creditors	10,883	12,504	9,952	11,529
Deferred income	10,112	12,415	9,058	11,248
Accruals	11,386	14,524	9,665	14,147
	<u>34,191</u>	<u>41,506</u>	<u>30,269</u>	<u>38,796</u>

11. Creditors: amounts falling due after more than one year

Group and Partnership

	2013 £'000	2012 £'000
Loan with Mall Funding Plc	379,453	570,867
	<u>379,453</u>	<u>570,867</u>

The loan with Mall Funding Plc matures on 22 April 2015 (2012: 22 April 2015).

The loan facility with Mall Funding Plc is secured by legal mortgages in respect of the assets deemed as being part of the securitised pool (inclusive of directly owned assets and the investment in The Main Square Camberley Unit Trust).

The assets which are not deemed part of the securitised pool are the Allders Store in Camberley, Broadway Square and Debenhams Luton.

Interest is fixed quarterly at prevailing three month Libor, with a margin of 68bps (2012: 68bps).

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2013

11. Creditors: amounts falling due after more than one year (continued)

The total intercompany debt which amounted to £379.5 million is equal to the borrowings of The Mall Funding plc. As at 31 December 2013 (2012: £570.9 million), the debt of The Mall Funding plc is 100% hedged from floating to fixed rates until 22 April 2015 (2012: 100% to 22 April 2015).

A valuation was carried out by JC Rathbone Associates as at 31 December 2013 to calculate the market value of the fixed rate swap on a replacement basis. The difference between the market value of the fixed rate swap, based on the interest rate yield curve as at 31 December 2013, and the rate historically committed, namely the fair value adjustment, would result in a fixed rate swap liability of £13.3m (2012: liability of £37.0m).

12. Partners' capital

	The Mall Property Unit Trust £'000	The Mall (GP) Ltd £'000	Total Partners' Capital £'000
Contributions at 1 January 2012 and 31 December 2013	972,721	340	973,061
Capital	27,026	340	27,366
Advance capital	945,695	-	945,695
Contributions at 31 December 2013	<u>972,721</u>	<u>340</u>	<u>973,061</u>

13. Reconciliation of Partners' interests and movements on reserves

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Opening reserves at 1 January	(611,057)	(581,626)	(611,057)	(581,625)
Retained loss for the year	(19,128)	(17,642)	(19,128)	(17,641)
Revaluation surplus / (deficit) for the year	6,064	(11,789)	6,064	(11,791)
Closing reserves	<u>(624,121)</u>	<u>(611,057)</u>	<u>(624,121)</u>	<u>(611,057)</u>
Partners' capital	973,061	973,061	973,061	973,061
Other reserve	5,024	5,024	5,024	5,024
Closing Partners' interests at 31 December	<u>353,964</u>	<u>367,028</u>	<u>353,964</u>	<u>367,028</u>

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2013

13. Reconciliation of partners' funds and movements on reserves (continued)

Reconciliation of revaluation reserve	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Opening revaluation reserve at 1 January	26,301	40,580	26,301	46,631
Realised revaluation net deficit on sale of investment properties	2,749	528	2,749	528
Unrealised surplus / (deficit) on revaluation in financial year	6,064	(11,789)	6,064	(11,791)
Other recognised net losses transferred from profit and loss account	(9,359)	(3,018)	(9,359)	(9,067)
Revaluation reserve at 31 December	<u>25,755</u>	<u>26,301</u>	<u>25,755</u>	<u>26,301</u>

Other recognised net (losses) / gains transferred to revaluation reserve from the profit and loss account pertain to the transfer from profit and loss reserves of losses previously considered permanent in prior years and now assessed as temporary.

Reconciliation of other reserve	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Other reserve at 31 December	<u>5,024</u>	<u>5,024</u>	<u>5,024</u>	<u>5,024</u>

Other reserve represents the transaction fees paid by new or existing Partners who contributed cash rather than property into the Partnership. The transaction fees are intended for use by the Partnership for the funding of acquisition costs incurred on future purchases made by the fund with the capital injected by new Partners.

Reconciliation of profit and loss account	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Opening profit and loss account at 1 January	(637,358)	(622,206)	(637,358)	(628,256)
Retained loss for the year	(19,128)	(17,642)	(19,128)	(17,641)
Realised net loss transferred from revaluation reserve	(2,749)	(528)	(2,749)	(528)
Other recognised net gains transferred to revaluation reserve	9,359	3,018	9,359	9,067
Profit and loss account at 31 December	<u>(649,876)</u>	<u>(637,358)</u>	<u>(649,876)</u>	<u>(637,358)</u>

14. Minority interest

The minority interest represents a 0.01% (2012: 0.01%) holding in The Main Square Camberley Unit Trust held by Capital and Regional (Mall Jersey) Limited.

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2013

15. Notes to the statement of cash flows

(a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Operating profit	32,658	23,809	28,171	18,930
Net provision for impairment of investment properties	7,750	27,355	7,750	27,355
Increase in debtors	2,054	6,215	2,258	6,322
Decrease in creditors	(7,986)	(8,612)	(9,351)	(6,458)
Net cash inflow from operating activities	<u>34,476</u>	<u>48,767</u>	<u>28,828</u>	<u>46,149</u>

(b) Distributions received from subsidiary undertaking

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Distributions received from subsidiary undertaking	<u>-</u>	<u>10</u>	<u>16,295</u>	<u>468</u>

(c) Returns on investments and servicing of finance

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Interest received	69	92	40	19
Interest paid	(30,899)	(32,436)	(30,900)	(32,437)
	<u>(30,830)</u>	<u>(32,344)</u>	<u>(30,860)</u>	<u>(32,418)</u>

(d) Capital expenditure and receipts from property disposals

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Payments to acquire tangible fixed assets	(4,628)	(3,182)	(3,135)	(3,036)
Receipts on sale of tangible fixed assets	149,044	76,689	149,044	76,689
	<u>144,416</u>	<u>73,507</u>	<u>145,909</u>	<u>73,653</u>

The Mall Limited Partnership

Notes to the financial statements (continued) Year ended 31 December 2013

15. Notes to the statement of cash flows (continued)

(e) Financing activities

	Group		Partnership	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Transfer of monies held on behalf of the bondholders (see note 9)	70,096	3,399	70,096	3,399
Repayment of loans	(191,413)	(91,443)	(191,413)	(91,443)
	<u>(121,317)</u>	<u>(88,044)</u>	<u>(121,317)</u>	<u>(88,044)</u>

(f) Reconciliation of Partnership net debt

	At 1 January 2013 £'000	Cash flow £'000	Non cash movements £'000	At 31 December 2013 £'000
	Cash at bank and in hand	29,821	38,855	-
Loan from Mall Funding plc	(570,867)	191,413	-	(379,454)
	<u>(541,046)</u>	<u>230,268</u>	<u>-</u>	<u>(310,778)</u>

(g) Reconciliation of Group net debt

	At 1 January 2013 £'000	Cash flow £'000	Non cash movements £'000	At 31 December 2013 £'000
	Cash at bank and in hand	45,100	26,745	-
Loan from Mall Funding plc	(570,867)	191,413	-	(379,454)
	<u>(525,767)</u>	<u>218,158</u>	<u>-</u>	<u>(307,609)</u>

16. Contingent liabilities and commitments

As at 31 December 2013 capital commitments amounted to £1.6m (2012: £2.4 m).

The terms of the performance fee are discussed on page 7. The current estimate of the performance fee that would be payable is £12.9m.

The Mall Limited Partnership

Notes to the financial statements (continued)

Year ended 31 December 2013

17. Related party transactions

Charges of £200,866 (2012: £197,864) and £1,665,395 (2012: £1,748,351) are included in these financial statements in respect of Aviva Investors Global Services Limited fees during the year as Operator and Fund Manager, of which £634,024 (2012: £787,660) was outstanding as at 31 December 2013. The ultimate parent company of Aviva Investors Global Services Limited is Aviva plc.

A charge of £4,115,184 (2012: £4,623,206) is included in these financial statements in respect of property asset management services provided during the year by Capital & Regional plc, the ultimate parent company of Capital & Regional (Mall GP) Limited, of which £938,981 (2012: £1,665,662) was outstanding as at 31 December 2013.

In accordance with the Partnership Agreement, distributions of net income have been allocated to the Partners in the proportion to their ownership percentage for the period to which the distribution relates. At the end of December 2013 the percentage holdings were; The Mall Property Unit Trust 99.96% (2012: 99.96%) and The Mall (General Partner) Limited 0.04% (2012: 0.04%).

Receipts of £4,504,115 (2012: £4,950,665) are included in these financial statements in respect of dividends received by The Mall Limited Partnership as majority owner of The Main Square Camberley Unit Trust, of which £1,286,779 (2012: £4,950,665) was outstanding as at 31 December 2013. The aggregate amount outstanding at 31 December 2013 was £1,286,779 (2012: £13,071,342). The Main Square Camberley Unit Trust is owned by The Mall Limited Partnership and Capital & Regional (Mall Jersey) Limited. At the end of December 2013 the percentage holdings were; The Mall Limited Partnership 99.99 % (2012: 99.99%) and Capital & Regional (Mall Jersey) Limited 0.01% (2012: 0.01%).

There were no other related party transactions requiring disclosure.

18. Controlling party

The Partnership's general partner is The Mall (General Partner) Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The Mall (General Partner) Limited is jointly owned by Capital & Regional (Mall GP) Limited, a subsidiary of Capital & Regional plc, and by Norwich Union (Mall GP) Limited, a subsidiary of the Aviva plc group of companies. No party has overall control.

19. Post balance sheet events

There were no post balance sheet events.

The Mall Limited Partnership

Glossary of terms

- Capital Value is the property market value at 31 December.
- Distribution yield represents the level of distributions included in the profit and loss account as a percentage of net asset value.
- Equivalent yield is the effective annual yield to a purchaser from the assets individually at market value after taking account of notional acquisition costs but assuming rent is receivable annually in arrears rather than reflecting the actual cash flows.
- ERV (Estimated Rental Value) is the external valuers' estimate of the Group's share of the current annual market rent of all lettable space net of any non-recoverable charges, before bad debt provision and adjustments required by applicable accounting standards regarding tenant lease incentives.
- Footfall visits is the number of customer visits per annum.
- Fund return reflects the change in net asset value of the group in percentage terms.
- Initial yield is the annualised net rents on investment properties expressed as a percentage of the market value.
- IPD is Independent Property Databank Limited, a company that produces an independent benchmark of property returns.
- Net income (valued) reflects the level of income included in the calculation of Capital Value.
- Percentage extra contractual concession is the value of rent in percentage terms relating to tenants who have been permitted to make monthly payments by way of an agreed concession.
- Percentage on contracted monthly terms is the value of rent in percentage terms relating to tenants who have leases that specify their payments are made monthly.

APPENDIX 5

GENERAL PARTNER 2012/2013 AUDITED FINANCIAL STATEMENTS

THE MALL (GENERAL PARTNER) LIMITED

Registered in England and Wales No: 04331119

ANNUAL REPORT AND FINANCIAL STATEMENTS 2012

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The Mall (General Partner) Limited

Directors and Officers

Directors:

R G Finch
R J Gale
B S Hill
R P Jones
H Y Scott-Barrett
D White

Officer – Company Secretary

S A Wetherly
52 Grosvenor Gardens
London
SW1W 0AU

Independent Auditor

Deloitte LLP
Chartered Accountants
London

Registered Office

52 Grosvenor Gardens
London
SW1W 0AU

Company Number

Registered in England and Wales: No. 4331119

Directors' Report **For the year ended 31 December 2012**

The directors present their annual report on the affairs of The Mall (General Partner) Limited (the "Company"), together with the financial statements and auditor's report for the year ended 31 December 2012.

Directors

The current directors and those in office throughout the year, except as noted, are as follows:

R G Finch
R J Gale
B S Hill appointed 19 February 2013
R P Jones
H Y Scott-Barrett
D White
M O Shepherd resigned 11 February 2013

Principal Activities

The principal activity of the Company is property investment by way of an interest in The Mall Limited Partnership and the holding of shares in other property companies as detailed in note 5 to the financial statements. On formation of The Mall Limited Partnership the Company held a 0.1% investment of the total Partners' equity which has diluted to 0.04% at 31 December 2012 (2011: 0.04%) as new equity was contributed into the Partnership since formation. The Mall Limited Partnership is a Partnership within the meaning of the Limited Partnership Act 1907 and the Company is the General Partner in The Mall Limited Partnership.

The directors have reviewed the activities of the business for the year and the position as at 31 December 2012 and consider them to be satisfactory.

Business Review

Financial Position and Performance

The position of the Company at the year end is shown in the Balance Sheet on page 9, with trading results shown in the Profit and Loss account on page 8.

Future Outlook

The directors expect the level of activity to be maintained in the foreseeable future.

Principal Risks and Uncertainties

The Company exists to hold investments in subsidiaries and in a partnership. The principal risk therefore is the performance of the Company's investments which the directors monitor regularly. The key risks that mainly affect its investments are market risk and operational risk. While the day-to-day management of these risks is outsourced, the directors monitor them regularly:

Market Risk

The Company's principal exposure to market risk takes the form of valuations of underlying property investments, which have a direct impact on the value of investments. The management of this risk falls within the mandate of Aviva Investors Global Services Limited, which makes and manages investments on behalf of the Partnership.

Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of the Aviva Group approach to operational risk are set out in the financial statements of Aviva Investors Global Services Limited, which manages and administers the partnership's investments.

Key Performance Indicators ('KPI')

The directors consider that the key performance indicator for the Company's business is post tax profit/loss. A post tax loss of £175,492 was reported for the year (2011: loss of £167,613).

Results and dividends

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

The directors do not recommend the payment of a dividend for the year ended 31 December 2012 (2011: £nil).

Going concern

The Company is reliant on the support of The Mall Limited Partnership to be able to meet its liabilities as they fall due. The Mall Limited Partnership has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis preparing the financial statements.

Material events

There were no material events during the year directly relating to the Company. However, the following are the material events relating to its investment in The Mall Limited Partnership.

On 23 January 2012, The Mall Limited Partnership made a £2.6m repayment of the inter-company loan from excess cash held within the Partnership.

On 23 April 2012, The Mall Limited Partnership made a £8.7m repayment of the inter-company loan from excess cash held within the Partnership.

On 23 July 2012, The Mall Limited Partnership made a £80.1m repayment of the inter-company loan following the receipt of proceeds from the sale of property at Norwich (£77.3m) and available excess cash held within the Partnership (£3.8m).

Creditor Payment Policy

It is the Company's policy to pay creditors when they fall due for payment. There is no trade creditor in the current or prior year.

Employees

The Company has retained two non-executive directors for the year ended 31 December 2012 (2011: 2).

Disclosure of Information to the Auditor

Each person who was a director of the Company on the date that this report was approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- (b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Independent Auditors

Pursuant to 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LPP will therefore continue in office.

Events since the date of the financial statements

There were no material post balance sheet events directly relating to the Company. However, the following is a summary of material post balance sheet events relating to its investment in The Mall Limited Partnership.

On 22 January 2013, The Mall Limited Partnership made a £6.0m prepayment of the inter-company loan made available from excess cash held within the Partnership.

On 22 April 2013, The Mall Limited Partnership made a £17.4m repayment of the inter-company loan made available from excess cash held within the Partnership.

On 12 July 2013, The Mall Limited Partnership sold Gracechurch Centre, Sutton Coldfield to British Overseas Bank Nominees and WGTC Nominees Limited for the sum of £87.98m resulting in an estimated net loss on disposal of £7.7m recognised by The Mall Limited Partnership.

On 12 July 2013, The Mall Limited Partnership sold Pavillions Centre, Uxbridge to Mars Pension Trustees Limited for the sum of £64.5m resulting in an estimated net loss on disposal of £11.3m recognised by The Mall Limited Partnership.

On 22 July 2013, The Mall Limited Partnership made a £168.0m repayment of the inter-company loan made available from the proceeds from the sales at Sutton Coldfield and Uxbridge, release of monies previously retained for capital expenditure and excess cash held within the Partnership.

Directors' Liabilities

The provisions in the Company's Articles of Association constitute "qualifying third party indemnities" for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report by virtue of the transitional provisions to the Companies Act 2006.

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board 9 SEP 2013:



B S Hill
Director

Independent auditor's report to the members of The Mall (General Partner) Limited

We have audited the financial statements of The Mall (General Partner) for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of The Mall (General Partner) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Clark FCA

Andrew Clark (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
9 SEP 2013

Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £	2011 £
Administrative expenses		(164,357)	(173,723)
Operating loss	2	(164,357)	(173,723)
(Provision)/reversal of impairment in investments	5	(10,714)	3,725
Investment (expense)/income	3	(421)	3,816
Interest receivable		-	7
Interest payable		-	(208)
Loss on ordinary activities before taxation		(175,492)	(166,383)
Tax on loss on ordinary activities	4	-	(1,230)
Loss for the financial year	9	(175,492)	(167,613)

All amounts reported in the profit and loss account relate to continuing operations.

There are no recognised gains or losses in the year other than the loss for the financial year. Accordingly, no statement of total recognised gains and losses has been presented.

The notes on pages 10 to 16 form an integral part of these financial statements.

Balance sheet

as at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments in subsidiary undertakings	5	18	18
Investment in partnership	5	133,613	144,327
		<u>133,631</u>	<u>144,345</u>
Current assets			
Debtors	6	104,697	105,118
Creditors: amounts falling due within one year			
	7	(814,249)	(649,892)
Net current liabilities			
		<u>(709,552)</u>	<u>(544,774)</u>
Net liabilities			
		<u>(575,921)</u>	<u>(400,429)</u>
Capital and reserves			
Called-up share capital	8	1,000	1,000
Share premium	9	339,000	339,000
Profit and loss account	9	(915,921)	(740,429)
Shareholders' deficit			
	9	<u>(575,921)</u>	<u>(400,429)</u>

The financial statements were approved and authorised for issue by the Board on 9 September 2013 and signed on its behalf by:



B S Hill
Director

The notes on pages 10 to 16 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2012

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The directors are of the opinion that severe long-term restrictions exist over the Company's interest in The Mall Limited Partnership that substantially hinder the exercise of the Company's rights over the assets of the Limited Partnership. In accordance with FRS2 the interest in The Mall Limited Partnership is not consolidated and is held as a fixed asset investment. The results and assets of the wholly-owned subsidiaries disclosed in note 5 to the financial statements have not been consolidated on the grounds of immateriality.

These financial statements present information about the Company as an individual undertaking. Information on the ultimate parent undertaking, controlling party and immediate parent can be found in note 13.

b) Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 3 to 5. The Company is reliant on the support of The Mall Limited Partnership to be able to meet its liabilities as they fall due. The Mall Limited Partnership has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements.

After making enquiries, the directors therefore have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

c) Investments

Fixed assets are shown at cost, less provision for impairment.

d) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

e) Cash

The Company has no cash accounts and expenses are paid for by and owed to The Mall Limited Partnership.

2. Operating loss

This is stated after charging:

	2012 £	2011 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	2,040	2,040

Staff costs

The remuneration of the directors was as follows:

	2012 £	2011 £
Emoluments	115,000	115,000

No directors were members of the Company's defined contribution pension scheme (2011: none).

Particulars of staff costs are shown below:

	2012 £	2011 £
Wages and salaries	115,000	115,000
Social security costs	13,832	13,753
	<u>128,832</u>	<u>128,753</u>

The average number of employees that worked for the Company and were remunerated during the year was as follows:

	2012 No.	2011 No.
Directors	2	2

3. Investment (expense)/income

Income from fixed asset investment is the distributions from The Mall Limited Partnership in 2012 in respect of the Company's share of the profit of the Partnership for 2012.

4. Taxation

a) Profit and loss account

Tax charged to the profit and loss account is as follows:

	2012 £	2011 £
UK corporation tax	-	-
Adjustment in respect of prior year tax	-	(1,230)
	-	(1,230)

b) Factors affecting current tax charge for the period

	2012 £	2011 £
Loss on ordinary activities before tax	(175,492)	(166,383)
	(175,492)	(166,383)
Current tax credit at small company's UK corporation tax rate of 20.00% (2011: 20.25%)	(35,098)	(33,693)
Adjustment to tax credit in respect of prior years	-	1,230
Share of Limited Partnership taxable profits	1,503	1,768
Share of Limited Partnership distributions	84	(773)
Non-taxable loss on unrealised capital gains	2,143	(754)
Increase in unutilised losses	34,989	43,462
Creation of capital losses	(3,621)	(10,010)
Current tax charge on ordinary activities for the year	-	1,230

The small company's UK corporation tax rate remained at 20% effective from 1 April 2012, and will also remain at 20% effective from 1 April 2013.

c) Factors that may affect future tax charges

The deferred tax assets, which have not been recognised due to the uncertainty of their recoverability in the foreseeable future, comprise the following. The rate used to calculate the deferred tax was 20% (2011: 20%).

	2012 £	2011 £
Impairment on the investment in The Mall Limited Partnership	41,277	39,135
Capital losses	21,693	17,097
Tax losses	145,694	113,981
	208,664	170,213

Notes to the financial statements (continued)
for the year ended 31 December 2012

5. Investments

	Investments in subsidiary undertakings	Investments in partnership	Total
Cost			
At 1 January 2012	18	340,000	340,018
At 31 December 2012	18	340,000	340,018
Provisions for impairment			
At 1 January 2012	-	(195,673)	(195,673)
Provision for impairment in investments during the year	-	(10,714)	(10,714)
At 31 December 2012	-	(206,387)	(206,387)
Net book value 31 December 2011	18	144,327	144,345
Net book value 31 December 2012	18	133,613	133,631

The subsidiary undertakings, all of which are wholly owned, are shown below:

Name of company	Country of incorporation	Number of shares held
Alhambra Barnsley Limited	Jersey	2 ordinary of £1 each
Ashley Epsom Limited	Jersey	2 ordinary of £1 each
Howgate Freehold Limited	Jersey	2 ordinary of £1 each
Howgate Leasehold Limited	Jersey	2 ordinary of £1 each
Liberty Romford Limited	Jersey	2 ordinary of £1 each
Mall Nominee One Limited	The United Kingdom	1 ordinary of £1 each
Mall Nominee Two Limited	The United Kingdom	1 ordinary of £1 each
Selborne Walthamstow Limited	Jersey	2 ordinary of £1 each
Trinity Aberdeen Limited	Jersey	2 ordinary of £1 each
Wood Green London Limited	Jersey	2 ordinary of £1 each

The subsidiary undertakings hold the legal title to various investment properties on trust for The Mall Limited Partnership and deal with these interests as directed by the Company. The subsidiaries do not trade, with all expenses of their operation being borne by The Mall Limited Partnership. The net assets of each of the subsidiary undertakings consist of the balance owed by the Company for its shares.

The investment in partnership represents 0.04% (2011: 0.04%) of the total Partners' interests of The Mall Limited Partnership.

The Mall Limited Partnership is a limited partnership established under the Limited Partnership Act 1907 for the purpose of acquiring, developing, refurbishing, managing, letting and holding of retail warehouse property for investment purposes. The registered office of The Mall Limited Partnership is 52 Grosvenor Gardens, London, SW1W 0AU.

In accordance with The Partnerships (Accounts) Regulations 2008, a copy of the financial statements of The Mall Limited Partnership is attached to these financial statements.

Notes to the financial statements (continued)
for the year ended 31 December 2012

6. Debtors

	2012 £	2011 £
Amounts falling due within one year:		
Amounts owed by The Mall Limited Partnership	104,690	105,111
Other	7	7
	<u>104,697</u>	<u>105,118</u>

Amounts owed by The Mall Limited Partnership are interest-free and repayable on demand.

7. Creditors

	2012 £	2011 £
Amounts falling due within one year:		
Accruals	(163,102)	(162,857)
Amounts owed to subsidiary undertakings	(18)	(18)
Amounts owed to The Mall Limited Partnership	(651,129)	(487,017)
	<u>(814,249)</u>	<u>(649,892)</u>

Amounts owed to subsidiary undertakings and to The Mall Limited Partnership are interest-free and repayable on demand.

8. Share capital

	2012 £	2011 £
The allotted, called up and fully paid share capital of the Company as at 31 December was:		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

The 'A' and 'B' shares confer upon the holders the same rights and rank pari passu in all respects.

9. Reconciliation of movements in shareholders' funds/(deficit)

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2012	1,000	339,000	(740,429)	(400,429)
Loss for the financial year	-	-	(175,492)	(175,492)
At 31 December 2012	<u>1,000</u>	<u>339,000</u>	<u>(915,921)</u>	<u>(575,921)</u>

Notes to the financial statements (continued)
for the year ended 31 December 2012

10 Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard 1 (Revised 1996) on the grounds that it does not hold a bank account and does not incur any cash flows.

11. Contingent liabilities and commitments

There were no contingent liabilities or commitments at the balance sheet date.

12. Related party transactions

(a) Key management compensation

The members of the Board of Directors, who are considered to be the key management of the Company, are listed on page 2 of these financial statements.

There are no accounts receivable from or payments due to members of the Board of Directors.

(b) Services provided to related parties

During the period the Company served as General Partner for The Mall Limited Partnership. No fees were received for services provided to the Limited Partnership.

At the balance sheet date the Company was owed £104,690 (2011: £105,111) by The Mall Limited Partnership as stated in note 6.

The related parties' receivables are not secured and no guarantees were received in respect thereof.

(c) Services provided by related parties

At the balance sheet date the Company owed £651,129 (2011: £487,017) to The Mall Limited Partnership relating to audit fees payable, directors emoluments, directors insurance and taxation as disclosed in note 7.

The related parties' payables are not secured and no guarantees were received in respect thereof.

13. Ultimate parent and controlling undertaking

The Mall (General Partner) Limited is owned equally by Norwich Union (Mall GP) Limited and Capital and Regional (Mall GP) Limited. No party has overall control.

Norwich Union (Mall GP) Limited is a wholly owned subsidiary of Norwich Union (Shareholder GP) Limited.

Norwich Union (Shareholder GP) Limited is a wholly owned subsidiary of the Aviva plc group of companies.

Capital and Regional (Mall GP) Limited is a wholly owned subsidiary of the Capital and Regional plc group of companies.

Copies of the financial statements of Aviva plc and Capital and Regional plc are publicly available from Companies House, Crown Way, Maindy, Cardiff CF14 3 UZ.

14. Post balance sheet events

There were no material post balance sheet events directly relating to the Company. However, the following is a summary of material post balance sheet events relating to its investment in The Mall Limited Partnership.

On 22 January 2013, The Mall Limited Partnership made a £6.0m prepayment of the inter-company loan made available from excess cash held within the Partnership.

On 22 April 2013, The Mall Limited Partnership made a £17.4m repayment of the inter-company loan made available from excess cash held within the Partnership.

On 12 July 2013, The Mall Limited Partnership sold Gracechurch Centre, Sutton Coldfield to British Overseas Bank Nominees and WGTC Nominees Limited for the sum of £87.98m resulting in an estimated net loss on disposal of £7.7m recognised by The Mall Limited Partnership.

On 12 July 2013, The Mall Limited Partnership sold Pavillions Centre, Uxbridge to Mars Pension Trustees Limited for the sum of £64.5m resulting in an estimated net loss on disposal of £11.3m recognised by The Mall Limited Partnership.

On 22 July 2013, The Mall Limited Partnership made a £168.0m repayment of the inter-company loan made available from the proceeds from the sales at Sutton Coldfield and Uxbridge, release of monies previously retained for capital expenditure and excess cash held within the Partnership.

THE MALL (GENERAL PARTNER) LIMITED

Registered in England and Wales No: 04331119

ANNUAL REPORT AND FINANCIAL STATEMENTS 2013



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The Mall (General Partner) Limited

Directors and Officers

Directors

R G Finch
R J Gale
B S Hill
H Y Scott-Barrett
R B Stirling
D White

Officer – Company Secretary

S A Wetherly
52 Grosvenor Gardens
London
SW1W 0AU

Independent Auditor

Deloitte LLP
Chartered Accountants
London

Registered Office

52 Grosvenor Gardens
London
SW1W 0AU

Company Number

Registered in England and Wales No 04331119

The Mall (General Partner) Limited
Registered in England and Wales No 04331119

Directors' Report
For the year ended 31 December 2013

The directors present their annual report on the affairs of The Mall (General Partner) Limited (the "Company"), together with the financial statements and auditor's report for the year ended 31 December 2013

Directors

The current directors and those in office throughout the year, except as noted, are as follows

R G Finch
R J Gale
B S Hill
H Y Scott-Barrett
R B Stirling appointed 9 January 2014
D White
M O Shepherd resigned 11 February 2013
R P Jones resigned 14 December 2013

Principal Activities

The principal activity of the Company is property investment by way of an interest in The Mall Limited Partnership and the holding of shares in other property companies as detailed in note 5 to the financial statements. On formation of The Mall Limited Partnership the Company held a 0.1% investment of the total Partners' equity which has diluted to 0.04% at 31 December 2013 (2012 0.04%) as new equity was contributed into the Partnership since formation. The Mall Limited Partnership is a Partnership within the meaning of the Limited Partnership Act 1907 and the Company is the General Partner in The Mall Limited Partnership.

The directors have reviewed the activities of the business for the year and the position as at 31 December 2013 and consider them to be satisfactory.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2013 (2012 £nil)

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Material events

During the year, the General Partner has re-considered the allocation of the fees pertaining to the services provided by the non-executive directors of the Limited Partnership between the Company and The Mall Limited Partnership. It had previously been interpreted that the Partnership Agreement required that these fees should be borne by the Company. The costs were incurred by the Limited Partnership and then recharged to the Company resulting in an intercompany liability in the balance sheet of the Company at 31 December 2012 of £739,847. Following a review of the Partnership Agreement, it has been agreed by the Board that the fees should be borne by the Limited Partnership and therefore, the liability pertaining to these costs in the Company balance sheet has been released to the current year profit and loss account. The result of this adjustment is to credit the profit and loss account and to debit the current intercompany liability by £739,847.

The following are the material events relating to its investment in The Mall Limited Partnership

On 22 January 2013, The Mall Limited Partnership made a £6.0m repayment of the intercompany loan made available from excess cash held within the Partnership.

On 22 April 2013, The Mall Limited Partnership made a £17.4m repayment of the intercompany loan made available from excess cash held within the Partnership.

The Mall (General Partner) Limited
Registered in England and Wales No 04331119

Directors' Report (continued)

Material events (continued)

On 12 July 2013, The Mall Limited Partnership sold Gracechurch Centre, Sutton Coldfield to British Overseas Bank Nominees and WGTC Nominees Limited for the sum of £87.98m resulting in an estimated net loss on disposal of £8.3m recognised by The Mall Limited Partnership

On 12 July 2013, The Mall Limited Partnership sold Pavillions Centre, Uxbridge to Mars Pension Trustees Limited for the sum of £64.5m resulting in an estimated net loss on disposal of £11.8m recognised by The Mall Limited Partnership

On 22 July 2013, The Mall Limited Partnership made a £168.0m repayment of the intercompany loan made available from the proceeds from the sales at Sutton Coldfield and Uxbridge, release of monies previously retained for capital expenditure and excess cash held within the Partnership

Following this repayment The Mall Limited Partnership exited the debt restriction event within the restructured CMBS documentation and will remain outside the restriction event as long as the loan to value ("LTV") remains below 60%. This exit released control of The Mall Limited Partnership's cash which was returned to The Mall Limited Partnership's bank account and also allows The Mall Limited Partnership to distribute income in accordance with the Partnership documentation

Employees

The Company has retained two non-executive directors for the year ended 31 December 2013 (2012: two)

Disclosure of Information to the Auditor

Each person who was a director of the Company on the date that this report was approved, confirms that

- (a) so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- (b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

Directors' Liabilities

The provisions in the Company's Articles of Association constitute "qualifying third party indemnities" for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report by virtue of the transitional provisions to the Companies Act 2006

Directors' Report (continued)

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

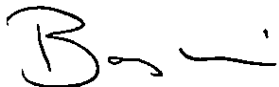
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing their report, the directors have taken advantage of the exemption for small companies in accordance with section 415(A) of the Companies Act 2006.

Independent Auditors

Pursuant to 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

By order of the Board 16 May 2014



B S Hill
Director

The Mall (General Partner) Limited
Registered in England and Wales No 04331119
Independent Auditor's report

Independent auditor's report to the members of The Mall (General Partner) Limited

We have audited the financial statements of The Mall (General Partner) for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Mall (General Partner) Limited
Registered in England and Wales No 04331119
Independent Auditor's report

Independent auditor's report to the members of The Mall (General Partner) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report



Georgina Robb FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

19/5/2014

The Mall (General Partner) Limited
Registered in England and Wales No 04331119

Profit and loss account

for the year ended 31 December 2013

	Notes	2013 £	2012 £
Administrative expenses	1	737,747	(164,357)
Operating profit/(loss)	2	737,747	(164,357)
Provision of impairment in investments	5	(4,756)	(10,714)
Investment income/(expense)	3	998	(421)
Profit/(loss) on ordinary activities before taxation		733,989	(175,492)
Tax on profit/(loss) on ordinary activities	4	(2,644)	-
Profit/(loss) for the financial year	9	731,345	(175,492)

All amounts reported in the profit and loss account relate to continuing operations

There are no recognised gains or losses in the year other than the profit/(loss) for the financial year
Accordingly, no statement of total recognised gains and losses has been presented

The notes on pages 10 to 15 form an integral part of these financial statements

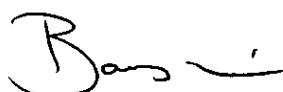
The Mall (General Partner) Limited
Registered in England and Wales No 04331119

Balance sheet

as at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Investments in subsidiary undertakings	5	18	18
Investment in partnership	5	128,857	133,613
		<u>128,875</u>	<u>133,631</u>
Current assets			
Debtors	6	105,695	104,697
Creditors: amounts falling due within one year	7	(79,146)	(814,249)
Net current assets/(liabilities)		<u>26,549</u>	<u>(709,552)</u>
Net assets/(liabilities)		<u>155,424</u>	<u>(575,921)</u>
Capital and reserves			
Called-up share capital	8	1,000	1,000
Share premium	9	339,000	339,000
Profit and loss account	9	(184,576)	(915,921)
Shareholders' surplus/(deficit)	9	<u>155,424</u>	<u>(575,921)</u>

The financial statements were approved and authorised for issue by the Board on 16 May 2014 and signed on its behalf by



B S Hill
Director

The notes on pages 10 to 15 form an integral part of these financial statements

The Mall (General Partner) Limited
Registered in England and Wales No 04331119

Notes to the financial statements (continued)

for the year ended 31 December 2013

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

During the year, the General Partner has re-considered the allocation of the fees pertaining to the services provided by the non-executive directors of the Limited Partnership between the Company and The Mall Limited Partnership. It had previously been interpreted that the Partnership Agreement required that these fees should be borne by the Company. The costs were incurred by the Limited Partnership and then recharged to the Company resulting in an intercompany liability in the balance sheet of the Company at 31 December 2012 of £739,847. Following a review of the Partnership Agreement, it has been agreed by the Board that the fees should be borne by the Limited Partnership and therefore, the liability pertaining to these costs in the Company balance sheet has been released to the current year profit and loss account. The result of this adjustment is to credit the profit and loss account and to debit the current intercompany liability by £739,847.

The directors are of the opinion that severe long-term restrictions exist over the Company's interest in The Mall Limited Partnership that substantially hinder the exercise of the Company's rights over the assets of the Limited Partnership. In accordance with FRS2 the interest in The Mall Limited Partnership is not consolidated and is held as a fixed asset investment. The results and assets of the wholly-owned subsidiaries disclosed in note 5 to the financial statements have not been consolidated on the grounds of immateriality.

These financial statements present information about the Company as an individual undertaking. Information on the ultimate parent undertaking, controlling party and immediate parent can be found in note 13.

b) Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

c) Investments

Fixed assets are shown at cost, less provision for impairment.

d) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

The Mall (General Partner) Limited
Registered in England and Wales No 04331119
Notes to the financial statements (continued)
for the year ended 31 December 2013

- e) **Cash**
The Company has no cash accounts and expenses are paid for by and owed to The Mall Limited Partnership

2 Operating profit/(loss)

This is stated after charging

	2013 £	2012 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	2,100	2,040

Staff costs

The remuneration of the non-executive directors incurred by The Mall Limited Partnership were as follows

	2013 £	2012 £
Emoluments	115,000	115,000

No directors were members of the Company's defined contribution pension scheme (2012 none)

Particulars of staff costs are shown below

	2013 £	2012 £
Wages and salaries	115,000	115,000
Social security costs	13,760	13,832
	<u>128,760</u>	<u>128,832</u>

The average number of employees were as follows

	2013 No.	2012 No.
Directors	<u>2</u>	<u>2</u>

During the year, the General Partner has re-considered the allocation of the fees pertaining to the services provided by the non-executive directors of the Limited Partnership between the Company and The Mall Limited Partnership. Following a review of the Partnership Agreement, it has been agreed by the Board that the fees should be borne by the Limited Partnership and therefore, these costs have not been recharged to the General Partner this year.

3. Investment income/(expense)

Income from fixed asset investment is the distributions from The Mall Limited Partnership in 2013 in respect of the Company's share of the profit of the Partnership for 2013

The Mall (General Partner) Limited
Registered in England and Wales No 04331119
Notes to the financial statements (continued)
for the year ended 31 December 2013

4 Taxation

a) Profit and loss account

Tax charged to the profit and loss account is as follows

	2013 £	2012 £
UK corporation tax	2,644	-
Adjustment in respect of prior year tax	-	-
	<u>2,644</u>	<u>-</u>

b) Factors affecting current tax charge for the period

	2013 £	2012 £
Profit/(loss) on ordinary activities before tax	733,989	(175,492)
	<u>733,989</u>	<u>(175,492)</u>
Current tax credit at small company's UK corporation tax rate of 20.00% (2012 20.00%)	146,798	(35,098)
Adjustment to tax credit in respect of prior years	-	-
Share of Limited Partnership taxable profits	799	1,503
Non-taxable Limited Partnership distributions	(200)	84
Non-taxable loss on unrealised capital gains	951	2,143
Utilisation of brought forward losses	(138,098)	34,989
Creation of capital losses	(7,606)	(3,621)
Current tax charge on ordinary activities for the year	<u>2,644</u>	<u>-</u>

The small company's UK corporation tax rate remained at 20% effective from 1 April 2013, and will also remain at 20% effective from 1 April 2014

c) Factors that may affect future tax charges

The deferred tax assets, which have not been recognised due to the uncertainty of their recoverability in the foreseeable future, comprise the following. The rate used to calculate the deferred tax was 20% (2012 20%)

	2013 £	2012 £
Impairment on the investment in The Mall Limited Partnership	42,229	41,277
Capital losses	29,248	21,693
Tax losses	-	145,694
	<u>71,477</u>	<u>208,664</u>

The Mall (General Partner) Limited
Registered in England and Wales No 04331119
Notes to the financial statements (continued)
for the year ended 31 December 2013

5 Investments

	Investments in subsidiary undertakings	Investments in partnership	Total
Cost			
At 1 January 2013	18	340,000	340,018
At 31 December 2013	18	340,000	340,018
Provisions for impairment			
At 1 January 2013	-	(206,387)	(206,387)
Provision for impairment in investments during the year	-	(4,756)	(4,756)
At 31 December 2013	-	(211,143)	(211,143)
Net book value 31 December 2012	18	133,613	133,631
Net book value 31 December 2013	18	128,857	128,875

Fixed assets are shown at cost, less provision for impairment

The subsidiary undertakings, all of which are wholly owned, are shown below

Name of company	Country of incorporation	Number of shares held
Alhambra Barnsley Limited	Jersey	2 ordinary of £1 each
Ashley Epsom Limited	Jersey	2 ordinary of £1 each
Howgate Freehold Limited	Jersey	2 ordinary of £1 each
Howgate Leasehold Limited	Jersey	2 ordinary of £1 each
Liberty Romford Limited	Jersey	2 ordinary of £1 each
Mall Nominee One Limited	The United Kingdom	1 ordinary of £1 each
Mall Nominee Two Limited	The United Kingdom	1 ordinary of £1 each
Selborne Walthamstow Limited	Jersey	2 ordinary of £1 each
Trinity Aberdeen Limited	Jersey	2 ordinary of £1 each
Wood Green London Limited	Jersey	2 ordinary of £1 each

The subsidiary undertakings hold the legal title to various investment properties on trust for The Mall Limited Partnership and deal with these interests as directed by the Company. The subsidiaries do not trade, with all expenses of their operation being borne by The Mall Limited Partnership. The net assets of each of the subsidiary undertakings consist of the balance owed by the Company for its shares.

The investment in partnership represents 0.04% (2012: 0.04%) of the total Partners' interests of The Mall Limited Partnership.

The Mall Limited Partnership is a limited partnership established under the Limited Partnership Act 1907 for the purpose of acquiring, developing, refurbishing, managing, letting and holding of retail warehouse property for investment purposes. The registered office of The Mall Limited Partnership is 52 Grosvenor Gardens, London, SW1W 0AU.

In accordance with The Partnerships (Accounts) Regulations 2008, a copy of the financial statements of The Mall Limited Partnership is attached to these financial statements.

The Mall (General Partner) Limited
Registered in England and Wales No 04331119

Notes to the financial statements (continued)

for the year ended 31 December 2013

6. Debtors

	2013 £	2012 £
Amounts falling due within one year		
Amounts owed by The Mall Limited Partnership	105,695	104,690
Other	-	7
	<u>105,695</u>	<u>104,697</u>

Amounts owed by The Mall Limited Partnership are interest-free and repayable on demand

7. Creditors

	2013 £	2012 £
Amounts falling due within one year		
Accruals	(2,100)	(163,102)
Accruals - taxation	(2,644)	-
Amounts owed to subsidiary undertakings	(18)	(18)
Amounts owed to The Mall Limited Partnership	(74,384)	(651,129)
	<u>(79,146)</u>	<u>(814,249)</u>

Amounts owed to subsidiary undertakings and to The Mall Limited Partnership are interest-free and repayable on demand

8 Called-up share capital

	2013 £	2012 £
The allotted, called up and fully paid share capital of the Company as at 31 December was		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

The 'A' and 'B' shares confer upon the holders the same rights and rank *pari passu* in all respects

9 Reconciliation of movements in shareholders' funds/(deficit)

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2013	1,000	339,000	(915,921)	(575,921)
Profit for the financial year	-	-	731,345	731,345
At 31 December 2013	<u>1,000</u>	<u>339,000</u>	<u>(184,576)</u>	<u>155,424</u>

The Mall (General Partner) Limited
Registered in England and Wales No 04331119
Notes to the financial statements (continued)
for the year ended 31 December 2013

10 Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard 1 (Revised 1996) on the grounds that it does not hold a bank account and does not incur any cash flows

11. Contingent liabilities and commitments

There were no contingent liabilities or commitments at the balance sheet date

12. Related party transactions

(a) Key management compensation

The members of the Board of Directors, who are considered to be the key management of the Company, are listed on page 2 of these financial statements

There are no accounts receivable from or payments due to members of the Board of Directors

(b) Services provided to related parties

During the period the Company served as General Partner for The Mall Limited Partnership No fees were received for services provided to the Limited Partnership

At the balance sheet date the Company was owed £105,695 (2012 £104,690) by The Mall Limited Partnership as stated in note 6

The related parties' receivables are not secured and no guarantees were received in respect thereof

(c) Services provided by related parties

At the balance sheet date the Company owed £74,384 (2012 £651,129) to The Mall Limited Partnership relating to audit fees payable and taxation as disclosed in note 7

The related parties' payables are not secured and no guarantees were received in respect thereof

13. Ultimate parent and controlling undertaking

The Mall (General Partner) Limited is owned equally by Norwich Union (Mall GP) Limited and Capital and Regional (Mall GP) Limited No party has overall control

Norwich Union (Mall GP) Limited is a wholly owned subsidiary of Norwich Union (Shareholder GP) Limited

Norwich Union (Shareholder GP) Limited is a wholly owned subsidiary of the Aviva plc group of companies

Capital and Regional (Mall GP) Limited is a wholly owned subsidiary of the Capital and Regional plc group of companies

Copies of the financial statements of Aviva plc and Capital and Regional plc are publicly available from Companies House, Crown Way, Mandy, Cardiff CF14 3 UZ

APPENDIX 6
INTERNAL VALUATION RNS

RNS Number : 7053T
 Capital & Regional plc
 08 October 2014

8 October 2014

**Capital & Regional plc
 Q3 Mall Property Valuation**

Capital & Regional plc ('C&R') today announces that the Mall portfolio property valuation as at 30 September 2014 was as follows:

Valuation of properties at 30 September 2014	Valuation of properties at 30 June 2014	Valuation movement in the period	Net initial yield at 30 September 2014
£723,000,000	£705,200,000	2.5%	6.36%

Commenting on the valuation Hugh Scott-Barrett said:

"It is encouraging to see a further increase in valued income in the third quarter which, when combined with yield compression of 12 basis points, has contributed to the 2.5 per cent. increase in Mall property values in the period."

- ENDS -

For further information:

Capital & Regional:

Hugh Scott-Barrett, Chief Executive
 Charles Staveley, Group Finance Director

Tel: 020 7932 8000

FTI Consulting

Stephanie Highett
 Richard Sunderland
 Claire Turvey

Tel: 020 3727 1000

Notes to editors:

About Capital & Regional plc

Capital & Regional is a specialist property company with a strong track record of delivering value enhancing retail and leisure asset management

opportunities across a £1.2 billion portfolio, primarily in town centre shopping centres.

Capital & Regional is the principal investor and Property and Asset Manager for the Mall Fund.

Capital & Regional & Ares Management (formerly known as AREA Property Partners) each hold a 50% interest in a German retail property portfolio which is managed by Garigal Asset Management GmbH, in which Capital & Regional holds a 30% interest.

Capital & Regional also has a number of other joint ventures.
For further information see www.capreg.com

This information is provided by RNS
The company news service from the London Stock Exchange

END

MSCLLFVRIVLDIIS

GLOSSARY OF DEFINED TERMS

2010 PD Amending Directive	means Directive 2010/73/EU.
Acceleration Event	means the service of a notice of acceleration by the Mall Loan Facility Agent pursuant to the provisions of the Mall Facility Agreement.
Accession Deed	means a deed of accession under which an Additional Guarantor, an Additional Subordinated Creditor and/or an additional debtor agrees to be bound by the terms of the Mall Facility Agreement and the other Finance Documents.
Account Bank	means, at the Closing Date, Elavon Financial Services Limited, U.K. Branch in its capacity as the Account Bank under the Account Bank Agreement.
Account Bank Agreement	means the account bank agreement to be entered into on the Closing Date by, among others, the Issuer, Issuer Cash Manager, the Account Bank, and the Issuer Security Trustee.
Account Bank Minimum Rating	has the meaning given to it on page 158.
Account Block Event	means: <ul style="list-style-type: none">(a) a Mall Loan Event of Default has occurred and is continuing in respect of non-payment, financial covenants, insolvency, insolvency proceedings or a creditor's process;(b) service by the Mall Loan Facility Agent of a notice to terminate a Property Management Agreement; or(c) an Acceleration Event has occurred.
Accountholder	has the meaning given to it in Condition 1.3 (Global Note).
Accrued Deferred Consideration	has the meaning given to it on page 105.
Acquisition	means: <ul style="list-style-type: none">(a) the cancellation of some or all of the remaining Minority Interests by way of redemption pursuant to a fixed price redemption offer or pursuant to a continuation vote; or(b) the purchase of some or all of the units of the remaining Minority Interests who are retiring unitholders by the C&R Entity funded by way of a distribution from the Partnership or otherwise.
Act	has the meaning given to it on page 41.
Additional Guarantor	means a company which becomes an "Additional Guarantor" in

	accordance with the provisions of the Mall Facility Agreement.
Additional Property Accession	has the meaning given to it on page 117.
Additional Security Providers	means BNP Paribas Jersey Trust Corporation Limited in its capacity as trustee of The Mall Unit Trust and Capital & Regional Jersey Limited.
Additional Subordinated Creditor	means a company which becomes an "Additional Subordinated Creditor" in accordance with the provisions of the Mall Facility Agreement.
Affiliate	means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.
Affiliate Entity	means, with respect to any specified entity, any other entity controlling or controlled by or under common control with such entity. For the purposes of this definition, control when used with respect to any specified entity means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms controlling and controlled have meanings correlative to the foregoing.
Agency Agreement	means the agency agreement dated on or about the Closing Date entered into by the Issuer, the Note Trustee, the Issuer Security Trustee, the Principal Paying Agent, the Registrar and the Agent Bank.
Agent(s)	means, collectively, the Paying Agents, the Agent Bank, the Registrar and any replacements thereto.
Agent Bank	means Elavon Financial Services Limited, U.K. Branch in its capacity as agent bank pursuant to the Agency Agreement.
Agreement for Lease	means an agreement to grant an Occupational Lease for all or part of a Property
AIFM Regulation	means Regulation (EU) No. 231/2013.
Allocated Mall Loan Amount	means, in respect of any Property, an amount which is equal to $(TL \times PV) / TV$ where: <ul style="list-style-type: none"> (a) TL = the amount of the Mall Loans outstanding at that time; (b) PV = the notional amount allocated to that Property in the most recent Valuation; and (c) TV = the total value of all Properties as shown in the most recent Valuation.
Alternative Estimated Proceeds	has the meaning given to it on page 190.

Alternative Process	has the meaning given to it on page 190.
Amendment Deed	means the amendment and restatement deed dated 22 September 2014 and made between, among others, the Borrower and the Original Lender amending the terms of the Mall Facility Agreement.
Anti-Money Laundering Laws	means all applicable laws concerning money laundering, terrorist or criminal financing, and financial record-keeping and reporting, including, without limitation also known as the Bank Secrecy Act, 31 U.S.C. sections 5301 <i>et seq.</i> ; the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56 (also known as the USA Patriot Act); Laundering of Monetary Instruments, 18 U.S.C. section 1956; Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, 18 U.S.C. section 1957 and the Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations, 31 C.F.R. Part 103.
Appointees	means any attorney, manager, agent, delegate, nominee, custodian, co-trustee or other person appointed by the Note Trustee under the Note Trust Deed or any examiner, attorney, manager, receiver, agent, delegate, nominee, custodian, co-trustee or other person appointed by the Issuer Security Trustee under the Issuer Deed of Charge.
Arranger	means Morgan Stanley & Co. International plc.
Asset Status Report	means an asset status report prepared by the Special Servicer pursuant to the Servicing Agreement with respect to the Securitised Loan and the Properties not later than 60 days after the occurrence of a Special Servicing Transfer Event.
Assigned Assets	means the Securitised Loan and all right, title and interest of a Lender in respect thereof (including as to security) under the Finance Documents.
Assignment Agreement	means an assignment agreement under which rights of a Lender under the Mall Facility Agreement are assigned to a new lender in accordance with the provisions of the Mall Facility Agreement.
Authorisation	means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.
Availability Period	means the period from and including 30 May 2014 to and including 28 November 2014.
Available Commitment	means, in relation to a Facility, a Lender's Commitment under that Facility minus (subject as set out below): <ul style="list-style-type: none"> (a) its participation in any outstanding Mall Loans under

that Facility; and

- (b) in relation to any proposed Mall Loans, the amount of its participation in any other Mall Loans that are due to be made under that Facility on or before the proposed Utilisation Date.

Available Facility means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

Available Redemption Funds has the meaning given to it on page 168.

Basel III has the meaning given to it on page 32.

Basel Committee means the Basel Committee on Banking Supervision.

Basic Terms Modification has the meaning given to it on page 67.

Blackburn Property has the meaning given to it in Appendix 2 (Properties).

BNPTC means BNP Paribas Jersey Trust Corporation Limited, a company incorporated in Jersey with company number 17296.

Borrower means The Mall Limited Partnership, a limited partnership constituted pursuant to the Partnership Agreement and registered under the Limited Partnerships Act 1907 (with registered number LP007977), acting through its general partner, the General Partner.

Borrower Ordinary Resolution has the meaning given to it on page 80.

Borrower Special Resolution has the meaning given to it on page 80.

Borrower Valuation means the valuations of the Properties supplied to the Mall Loan Facility Agent as a condition precedent under the Mall Facility Agreement on or before the first Utilisation Date prepared by Cushman & Wakefield/CB Richard Ellis dated 31 December 2013.

Break Costs means the amount (if any) by which:

- (a) the interest (excluding Mall Loan Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Mall Loans or Unpaid Sum to the last day of the current Mall Loan Interest Period in respect of the Mall Loans or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Mall Loan Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by

placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the London interbank market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Mall Loan Interest Period.

Business Day	means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York and Jersey.
C&R Entities	means Capital & Regional Units LLP (a limited liability partnership registered in England and Wales with number OC317534) and/or Capital & Regional (Europe Holding 5) Limited (a company incorporated in Jersey with registered number 94695).
C&R PLC	means Capital and Regional PLC, a company incorporated in England and Wales with company number 01399411.
Camberley Management Agreement	has the meaning given to it on page 93.
Camberley Property	has the meaning given to it in Appendix 2 (Properties).
Camberley Trust Instrument	means the trust instrument dated 7 January 2005 entered into by PTL and PPTL in respect of the Camberley Unit Trust as supplemented by the supplemented trust instruments dated 13 January 2005, 27 November 2007 and 25 March 2009 and on or about 28 May 2014.
Camberley Trustees	means PTL and PPTL in their capacity as trustees of the Camberley Unit Trust and includes their permitted successor trustees in such capacity.
Camberley Unit Trust	means The Main Square Camberley Unit Trust, a Jersey Unit Trust established pursuant to Article 7(3) of the Trusts (Jersey) Law 1984 and pursuant to the Camberley Trust Instrument.
Cap Provider	has the meaning given to it on page 173.
Capex Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Capital & Regional Group Company	means C&R PLC and each of its subsidiary undertakings, construed in accordance with section 1162 of the Companies Act 2006.
Capital Requirements Regulation	means Regulation (EU) No. 575/2013.
Cash Management Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Cash Management Agreement	means the cash management agreement to be entered into on the

Closing Date by, among others, the Issuer, the Servicer, the Special Servicer, the Issuer Cash Manager and the Issuer Security Trustee.

Cash Trap Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Cash Trap (ICR/Default) Trigger	will have occurred if, as at a Mall Loan Payment Date, any of the following criteria is satisfied: <ul style="list-style-type: none">(a) the Projected Interest Cover is less than 150 per cent.; or(b) a Mall Loan Default is continuing.
Cash Trap (LTV) Trigger	will have occurred if, as at a Mall Loan Payment Date, the LTV is equal to or greater than 65 per cent., calculated on the most recent Valuation.
Cash Trap Off Trigger	will have occurred if, as at a Mall Loan Payment Date, each of the following limbs is satisfied: <ul style="list-style-type: none">(a) the LTV is less than 65 per cent. calculated on the most recent Valuation;(b) Projected Interest Cover is greater than or equal to 150 per cent.; and(c) no Mall Loan Default is continuing.
Cash Trap Trigger	means a Cash Trap (LTV) Trigger and/or a Cash Trap (ICR/Default) Trigger.
Centre of Main Interests	means the “centre of main interests” of an Obligor for the purposes of Council Regulation (EC) No. 1346/2000 of 29 May 2000.
Class	shall be a reference to the Class A Notes or their respective holders, as the case may be.
Class A Additional Interest	has the meaning given to it on page 165.
Class A Fixed Rate Break Costs	has the meaning given to it on page 229.
Class A Note Event of Default	has the meaning given to it in Condition 10.1 (Class A Note Events of Default).
Class A Note Prepayment Fee	has the meaning given to it on page 170.
Class A Noteholders	has the meaning given to it on page 210.
Class A Notes	has the meaning given to it on page 210.
Class A PAO	has the meaning given to it on page 168.
Class A Prepayment Accrued	has the meaning given to it on page 163.

Interest

Class A Margin	has the meaning given to it in Condition 5.3 (Rate of Interest).
Class A Principal Redemption Amount	has the meaning given to it on page 167.
Class A Proportion	has the meaning given to it on page 168.
Class A Rate of Interest	has the meaning given to it in Condition 5.3 (Rate of Interest).
Class B Fixed Rate Break Costs	has the meaning given to it on page 169.
Class B Lender	has the meaning given to it on page 254.
Class B Loan	has the meaning given to it on page 254.
Class B Loan Agreement	means the loan agreement to be entered into on the Closing Date by, among others, the Issuer, the Class B Lender and the Issuer Security Trustee.
Class B Loan Event of Default	has the meaning given to it on page 256.
Class B Prepayment Accrued Interest	has the meaning given to it on page 163.
Class B Principal Redemption Amount	has the meaning given to it on page 168.
Class B Rate of Interest	has the meaning given to it on page 254.
Class B Margin	has the meaning given to it on page 254.
Clearing Systems	means Euroclear or Clearstream, Luxembourg.
Clearstream, Luxembourg	means Clearstream Banking, société anonyme, 42 Avenue J.F. Kennedy, L-1855 Luxembourg.
Client Insurance Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Client Landlord Revenue Expenditure Accounts	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Client Rent Deposit Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Client Service Charge Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Closing Date	means 19 December 2014 (or such later date as the Issuer and the Lead Manager may agree).
CMBS	means commercial mortgage-backed securities.

Code	has the meaning given to it on page 31.
Collection Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Commission's Proposal	has the meaning given to it on page 29.
Commitment	means the Tranche A Commitment or the Tranche B Commitment.
Compensation Prepayment Proceeds	<p>means the proceeds of all compensation and damages for the compulsory purchase of, or any blight or disturbance affecting, any Property, other than:</p> <ul style="list-style-type: none"> (a) proceeds received in respect of an event or series of events where such proceeds are less than £100,000 in aggregate; and/or (b) amounts which the Borrower notifies the Mall Loan Facility Agent in writing are, or are to be, applied towards in the replacement, reinstatement and/or repair of the assets in respect of which the proceeds were received if those proceeds are so applied as soon as possible (but in any event within 180 days, or such longer period as the Majority Lenders may agree) after receipt.
Compliance Certificate	means a compliance certificate to be delivered in accordance with the provisions of the Mall Facility Agreement.
Conditions	has the meaning given to it on page 210.
Confirmatory Jersey Security Document	means a Jersey law security confirmation agreement between Capital & Regional Jersey Limited and the General Partner (as grantors) and the Mall Loan Security Agent.
Confirmatory Security Agreement	<p>means:</p> <ul style="list-style-type: none"> (a) a deed of confirmation in relation to an English law security agreement dated 30 May 2014 and entered into between the original chargors (as defined therein) and Mount Street Loan Solutions LLP (as security agent); and/or (b) a deed of confirmation in relation to an English law limited partnership security deed dated 30 May 2014 and entered into between the Limited Partner and the General Partner (as chargors) and Mount Street Loan Solutions LLP (as security agent).
Conflict Matter	has the meaning given to it on page 80.
Corporate Services Agreement	means the agreement between the Issuer, the Issuer Holdco, the

Share Trustee and the Corporate Services Provider dated on or about 19 December 2014.

Corporate Services Provider	means Structured Finance Management Limited.
Corrected Loan	has the meaning given to it on page 52.
CREFC Europe's Investor Reporting Package	has the meaning given to it on page 189.
CRPM Mall Cares Client Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
CRPM Mall Lut S/Fund Client Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
CTA	means the Corporation Tax Act 2009.
Cut-Off Date	has the meaning given to it on page 71.
Debtor	means the Mall Limited Partnership, The Mall (General Partner) Limited, PPTL and PTL, acting in their capacity as trustees of The Main Square Camberley Unit Trust, Selborne Walthamstow Limited, Selborne One Limited, Selborne Two Limited, Wood Green London Limited, Wood Green One Limited, Wood Green Two Limited, Mall Nominee One Limited, Mall Nominee Two Limited, Capital & Regional (Mall GP) Limited and any other person which becomes a Debtor in accordance with the provisions of the Subordination Agreement.
Declaration of Trust	means each of: <ul style="list-style-type: none">(a) a declaration of trust dated 30 May 2014 in relation to the land at London Road, Camberley title number SY689978 and SY683569 entered into between the Borrower, Mall Nominee One Limited and Mall Nominee Two Limited;(b) termination deed and declaration of trust dated 30 May 2014 relating to the Luton Property entered into between the Borrower, Mall Nominee One Limited and Mall Nominee Two Limited;(c) a termination deed and declaration of trust dated 30 May 2014 relating to the Blackburn Property entered into between the Borrower, Mall Nominee One Limited and Mall Nominee Two Limited; and(d) a termination deed dated 30 May 2014 in relation to the 5 May 2005 declaration of trust relating to the Maidstone Property entered into between the Borrower, Mall Nominee One Limited and Mall Nominee Two Limited.
Debt Holders	means the Class A Noteholders and the Class B Lender.

Deemed Revenue Receipts	has the meaning given to it on page 169.
Defaulting Lender	<p>means any Lender:</p> <ul style="list-style-type: none"> (a) which has failed to make its participation in a Mall Loan available (or has notified the Mall Loan Facility Agent or the Borrower (which has notified the Mall Loan Facility Agent) that it will not make its participation in a Mall Loan available) by the Utilisation Date of that Mall Loan; (b) which has otherwise rescinded or repudiated a Finance Document; or (c) with respect to which an insolvency event has occurred and is continuing, <p>unless, in the case of paragraph (a) above:</p> <ul style="list-style-type: none"> (i) its failure to pay is caused by: <ul style="list-style-type: none"> (A) administrative or technical error; or (B) a Disruption Event; and (ii) payment is made within three Business Days of its due date; or (iii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.
Deferred Class A Additional Interest	has the meaning given to it in Condition 5.9(c).
Deferred Class B Loan Interest	has the meaning given to it on page 255.
Deferred Consideration	means the sum of, where greater than zero, the Accrued Deferred Consideration, the Quarterly Deferred Consideration, Shortfall Deferred Consideration and the Surplus Deferred Consideration.
Definitive Notes	has the meaning given to it on page 212.
Delegate	means any delegate, agent, attorney or co-trustee appointed by the Mall Loan Security Agent.
Disenfranchised Holder	has the meaning given to it in Condition 13.4 (Disenfranchised Holder).
Disposal Proceeds	means the net disposal proceeds derived from the disposal of a Property or the shares or units in an Obligor in accordance with the provisions of the Mall Facility Agreement.
Disposals Account	means the account designated as such under the Mall Facility

Agreement and includes any replacement of that account.

Disruption Event

means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payment operations of a party preventing that, or any other party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the party whose operations are disrupted.

Dormant Subsidiaries

means a member of the Group which does not trade (for itself or as agent for any person) and does not have any liabilities or own, legally or beneficially, assets (including, without limitation, indebtedness owed to it) save for (i) £2.00 of debt owed by the General Partner to that entity and (ii) shares in other companies listed at paragraph (ee) under the heading entitled “Representations and warranties” in the section entitled “Description of the Mall Facility Agreement”.

Duty of Care Agreement

means:

- (a) a duty of care agreement entered into or to be entered into by a Property Manager, the Borrower, the Mall Loan Security Agent and others, in an agreed form; or
- (b) a duty of care agreement entered into or to be entered into by a Fund Manager, the Borrower and the Mall Loan Security Agent, in an agreed form.

Economic Participant

has the meaning given to it on page 150.

EEA

means the European Economic Area.

Electronic Resolution

means an Electronic Extraordinary Resolution and an Electronic Ordinary Resolution.

English Security Agreement	has the meaning given to it on page 101.
Environment	<p>means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:</p> <ul style="list-style-type: none"> (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground); (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and (c) land (including, without limitation, land under water).
Environmental Claim	means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.
Environmental Law	<p>means any applicable law or regulation which relates to:</p> <ul style="list-style-type: none"> (a) the pollution or protection of the Environment; (b) the conditions of the workplace; or (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.
Environmental Permits	means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any Obligor conducted on or from the properties owned or used by any Obligor.
Equity Cure	means a cure of a breach of the LTV covenant or a cure of a breach of the Projected Interest Cover covenant, in each case in accordance with the provisions of the Mall Facility Agreement.
Equity Cure Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
EU	means the European Union.
EU Savings Directive	means EC Council Directive 2003/48/EC.
Euroclear	means Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium.
Excluded Recovery Proceeds	<p>means any proceeds of a Recovery Claim which the Borrower notifies the Mall Loan Facility Agent in writing are, or are to be, applied:</p> <ul style="list-style-type: none"> (a) to satisfy (to reimburse an Obligor which has so

discharged) any liability, charge or claim upon an Obligor by a person which is not a Mall Loan Transaction Obligor or an Affiliate of a Mall Loan Transaction Obligor; or

- (b) in the replacement, reinstatement and/or repair of assets of an Obligor which have been lost, destroyed or damaged,

in each case as a result of the events or circumstances giving rise to that Recovery Claim, if those proceeds are so applied as early as possible (but in any event within 180 days, or such longer period as the Majority Lenders may agree) after receipt..

Existing Financing

has the meaning given to it on page 111.

Exiting Property

has the meaning given to it on page 116.

Expected Maturity Date

has the meaning given to it on page 71.

Extraordinary Resolution

means, in respect of the Class A Noteholders:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Note Trust Deed by a majority consisting of not less than 50.1 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 50.1 per cent. of the votes cast on such poll;
- (b) a Written Extraordinary Resolution (being, a resolution in writing signed by or on behalf of the Class A Noteholders of not less than 50.1 per cent. in aggregate Principal Amount Outstanding of the Class A Notes, which resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Class A Noteholders); or
- (c) an Electronic Extraordinary Resolution (being a resolution approved by or on behalf of the Class A Noteholders of not less than 50.1 per cent. in aggregate Principal Amount Outstanding of the Class A Notes by way of electronic consents communicated through the electronic communications systems of the relevant Clearing Systems to the Principal Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the relevant Clearing Systems),

and in the circumstances set out in Condition 13.9 (Negative Consent), an Extraordinary Resolution (other than in respect of a Basic Terms Modification, the waiver of any Class A Note Event of Default, the acceleration of the Class A Notes or the enforcement of the Issuer Security) will be deemed to have been passed unless the holders of Class A Notes outstanding

constituting 50 per cent. or more in aggregate of the Principal Amount Outstanding of the Class A Notes have informed the Note Trustee in the prescribed manner of their objection to such Extraordinary Resolution within (in respect of a Finance Document Request) seven Business Days or (in respect of any matter other than a Finance Document Request) 30 clear days, after the date on which a notice containing the text of such Extraordinary Resolution which invites Class A Noteholders to object to the same and details the manner in which such objections should be made has been given to the Class A Noteholders or, as the case may be, such Class or Classes in accordance with the provisions of Condition 17 (Notice to Class A Noteholders).

Facility

means Tranche A and Tranche B.

FATCA

means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraph (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

FATCA Deduction

means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Withholding

has the meaning given to it on page 261.

Fee Letter

means:

- (a) any letter or letters dated on or about the date of the Mall Facility Agreement between any of the Mall Loan Arranger, the Mall Loan Facility Agent or the Mall Loan Security Agent and the Borrower setting out any of the fees referred to the Mall Facility Agreement; and/or
- (b) any agreement setting out fees payable to any Lender or other bank, financial institutions, trusts, funds or other entities which have agreed to assume an increased Commitment under the Facility following a cancellation of Commitments of a Defaulting Lender or in the event that it becomes unlawful for any Lender to perform any of its obligations under the Mall Facility Agreement or to fund or maintain its participation in any Mall Loan.

FFI	has the meaning given to it on page 261.
Final Maturity Date	has the meaning given to it on page 72.
Final Recovery Determination	means, in relation to the Securitised Loan, a determination by the Special Servicer, acting in accordance with the Servicing Standard, that there has been a recovery of all amounts or recoveries that, in the Special Servicer's judgement, will ultimately be recoverable with respect to the Securitised Loan, such judgment to be exercised in accordance with the Servicing Standard.
Finance Document	means the Mall Facility Agreement, any Mall Loan Security Document, the Subordination Agreement, any Duty of Care Agreement, any Fee Letter, any Resignation Letter, any Accession Deed, any Utilisation Request, any Transfer Certificate, any Assignment Agreement and any other document designated as such by the Mall Loan Facility Agent and the Borrower.
Finance Document Request	has the meaning given to it on page 184.
Finance Parties	means the Mall Loan Facility Agent, the Mall Loan Security Agent, the Mall Loan Arranger or a Lender.
Financial Indebtedness	means any indebtedness for or in respect of: <ul style="list-style-type: none"> (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing; (g) with the exception of the Hedging Agreements, any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any

derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

Fixed Rate Mall Loan	means Tranche B.
Floating Rate Mall Loan	means Tranche A.
foreign passthru payments	has the meaning given to it on page 261.
Former Valuation	has the meaning give to it on page x.
FSMA	means the Financial Services and Markets Act 2000.
FTT	has the meaning given to it on page 29.
Fund Manager	means Aviva Investors Global Services Ltd or any other fund manager appointed by an Obligor in accordance with the provisions of the Mall Facility Agreement.
Fund Manager Agreement	means each agreement with a Fund Manager in form and substance satisfactory to the Mall Loan Facility Agent, (acting on the instructions of the Majority Lenders).
Fund Manager Performance Fee	means the performance fee (as defined in the Fund Manager Agreement) due to the Fund Manager in accordance with the terms of the Fund Manager Agreement where such fee is paid from amounts standing to the credit of the Partnership Account or the General Account.
GAAP	means generally accepted accounting principles in the United Kingdom.
General Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
General Partner	means The Mall (General Partner) Limited, a company incorporated in England (with registered number 04331119).
Global Note	has the meaning given to it on page 211.
Governance Agreement	means the governance agreement relating to the General Partner between the GP Shareholder and the General Partner dated on or about the date of the Amendment Deed.

GP Shareholder	means Capital & Regional (Mall GP) Limited.
grandfathering date	has the meaning given to it on page 261.
Group	means: <ul style="list-style-type: none"> (a) the Borrower, the General Partner, the GP Shareholder and their Subsidiaries for the time being; and (b) the Camberley Unit Trust.
Group Structure Chart	means the structure chart supplied to the Mall Loan Facility Agent as a condition precedent under the Mall Facility Agreement on or before the first Utilisation Date or a subsequent group structure chart which has been supplied to the Mall Loan Facility Agent and approved by the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders).
Guarantor	means The Mall Limited Partnership, The Mall (General Partner) Limited, PPTL and PTL, acting in their capacity as trustees of The Main Square Camberley Unit Trust, Selborne Walthamstow Ltd, Selborne One Limited, Selborne Two Limited, Wood Green London Limited, Wood Green One Limited, Wood Green Two Limited, Mall Nominee One Limited, Mall Nominee Two Limited, Capital & Regional (Mall GP) Limited.
Headlease	means a lease under which an Obligor holds title to all or any part of a Property.
Hedging Agreement	means any master agreement, confirmation, transaction, schedule or other agreement in a form agreed with the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders) and entered into or to be entered into by the Borrower for the purpose of hedging interest payable in respect of the Floating Rate Mall Loan under and in accordance with the provisions of the Mall Facility Agreement.
HMRC	means HM Revenue & Customs.
Holding Company	means, in relation to a person, any other person in respect of which it is a Subsidiary.
Holding Company Transaction Obligors	means each of the GP Shareholder, Wood Green London Limited, Selborne Walthamstow Limited and the Mall Unit Trust.
ICR Cure Amount	has the meaning given to it on page 137.
IGA	has the meaning given to it on page 261.
Income	in respect of the Camberley Unit Trust, has the meaning attributed to that term in the Camberley Trust Instrument and, in respect of the Mall Unit Trust, has the meaning attributed to the

	term “Trust Income” in the Mall Trust Instrument.
Initial Interest Rate Cap Confirmation	has the meaning given to it on page 173.
Initiating Debtholder	has the meaning given to it on page 251.
Initiating Noteholder	has the meaning given to it in Condition 17.4 (Verified Debtholder and Initiating Debtholder).
Instruments	means the Class A Notes and the Class B Loan.
Insurance Prepayment Proceeds	means the proceeds of Insurances required to be paid into the deposit account in accordance with the provisions of the Mall Facility Agreement.
Insurance Expenses	means Tenant Contributions relating to insurance arrangements for Properties.
Insurances	means each contract of insurance required to be entered into under the Mall Facility Agreement.
Interest Amount	has the meaning given to it on page 223
Interest Determination Date	has the meaning given to it on page 73.
Interest Payment Date	means: <ul style="list-style-type: none"> (a) 28 January, 28 April, 28 July and 28 October in each year; and (a) the Expected Maturity Date, <p>or, if such day is not a Business Day, the Interest Payment Date will instead be the next Business Day in that calendar Month (if there is one) or the preceding Business Day (if there is not). The first Interest Payment Date in respect of the Class A Notes and the Class B Loan will fall on or about 28 January 2015.</p>
Interest Rate Cap Confirmation	has the meaning given to it on page 173.
Interest Rate Cap Transaction	has the meaning given to it on page 173.
Interested Partner	has the meaning given to it on page 80.
Internal Valuation	has the meaning given to it on page 83.
Investment Company Act	means the United States Investment Company Act of 1940.
Investment Management Agreement	has the meaning given to it on page 93.
Irish Stock Exchange	means the Irish Stock Exchange plc.
IRS	has the meaning given to it on page 261.

Issuer	means Zephyrus (European Loan Conduit No. 30) plc, a public limited liability company incorporated in England and Wales with registered number 9265263.
Issuer Accounts	means the Issuer Transaction Account and any other bank account which the Issuer has an interest in from time to time (as permitted under the Issuer Transaction Documents).
Issuer Assets	means the Securitised Loan and the related Mall Loan Security and interest of the Issuer, as beneficiary, in respect of the relevant Mall Loan Security and all monies derived therefrom from time to time, held by the Issuer on, or at any time following, the Closing Date.
Issuer Cash Manager	means Elavon Financial Services Limited, U.K. Branch.
Issuer Cash Manager Quarterly Report	has the meaning given to it on page 160.
Issuer Charged Documents	means the Issuer Transaction Documents and the Finance Documents to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party (other than the Issuer Deed of Charge and the Note Trust Deed).
Issuer Debt Acceleration Notice	has the meaning given to it in Condition 10.1 (Class A Note Events of Default).
Issuer Debt Fixed Rate Break Costs	means the Class A Fixed Rate Break Costs and the Class B Fixed Rate Break Costs.
Issuer Debt Interest Period	has the meaning given to it on page 73.
Issuer Debt Prepayment Accrued Interest	means the Class A Prepayment Accrued Interest and the Class B Prepayment Accrued Interest..
Issuer Debt Prepayment Cost	means the Class A Note Prepayment Fees and the Issuer Debt Fixed Rate Break Costs.
Issuer Deed of Charge	means the deed of charge dated on or about the Closing Date between the Issuer, the Note Trustee, the Issuer Security Trustee and the other Issuer Secured Creditors (other than the Class A Noteholders).
Issuer Holdco	means Zephyrus (European Loan Conduit No. 30) Holdings Limited.
Issuer Priorities of Payments	means, as applicable, the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Allocation Rules and/or the Post-Acceleration Priority of Payments.
Issuer Priority Payments	has the meaning given to it on page 164.

Issuer Profit Amount	means an amount equal to £1,000 as at each Interest Payment Date (£4,000 per annum) or, following the service of an Issuer Debt Acceleration Notice, a pro rata share of £4,000 for the period since the last distribution pursuant to the Post-Acceleration Priority of Payments.
Issuer Related Parties	means each of the Servicer, the Special Servicer, the Issuer Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, any Paying Agent, the Note Trustee, the Issuer Security Trustee and any appointee thereof, the Registrar, the Corporate Services Provider, the other Issuer Secured Creditors (apart from, for the avoidance of doubt, the Class A Noteholders and the Class B Lender) and any receiver appointed pursuant to the terms of the Issuer Deed of Charge.
Issuer Secured Creditors	means the Issuer Security Trustee on trust for itself and for the Class A Noteholders, the Class B Lender, the Note Trustee, the Servicer, the Special Servicer, the Issuer Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, any Paying Agent, the Registrar, the Corporate Services Provider, the Securitised Loan Seller, any receiver appointed pursuant to the terms of the Issuer Deed of Charge, any other person acceding to the Issuer Deed of Charge as beneficiary from time to time and any other person designated as such by the Issuer and the Issuer Security Trustee and each, an Issuer Secured Creditor .
Issuer Secured Liabilities	means all present and future monies, obligations and liabilities (whether actual or contingent) incurred or otherwise payable by or on behalf of the Issuer to the Issuer Secured Creditors under the Class A Notes and the other Issuer Transaction Documents (including payments of interest on and repayments of principal in respect of the Class A Notes and the Class B Loan).
Issuer Security	means the security interests created in favour of the Issuer Security Trustee on trust for itself and the other Issuer Secured Creditors pursuant to the Issuer Deed of Charge.
Issuer Security Trustee	means U.S. Bank Trustees Limited, a private limited company incorporated under the laws of England in its capacity as security trustee pursuant to the Issuer Deed of Charge.
Issuer Transaction Account	means an account so designated in the name of the Issuer opened with the Account Bank pursuant to the Account Bank Agreement.
Issuer Transaction Documents	means each of the following documents and any amendments thereto from time to time: <ul style="list-style-type: none"> (a) the Securitised Loan Sale Agreement; (b) the Agency Agreement; (c) the Cash Management Agreement;

- (d) the Account Bank Agreement;
- (e) the Servicing Agreement;
- (f) the Note Trust Deed;
- (g) the Issuer Deed of Charge;
- (h) the Class B Loan Agreement;
- (i) the Master Definitions Schedule;
- (j) the Corporate Services Agreement;
- (k) the Retention Deed; and
- (l) any other document designed at such by the Issuer and the Issuer Security Trustee.

IST Notice means a written notice sent by the Issuer Security Trustee to various parties upon the earlier of enforcement of the Issuer Security and service of an Issuer Debt Acceleration Notice.

ITA means the Income Tax Act 2007.

Jersey Obligors means PPTL and PTL, acting in their capacity as trustees of The Main Square Camberley Unit Trust, Selborne Walthamstow Ltd and Wood Green London Limited.

Jersey Security Agreement has the meaning given to it on page 103.

Jersey Tax and Structure Opinion means the tax and structure legal opinion dated on or around the date of the Mall Facility Agreement relating to the Group.

Junior Quarterly Deferred Consideration means Quarterly Deferred Consideration accrued from (and including) the Expected Maturity Date and Quarterly Deferred Consideration accrued while the Securitised Loan is a Specially Serviced Loan.

Justified Termination has the meaning given to it on page 118.

Lead Manager means Morgan Stanley & Co. International plc.

Lease Document means:

- (a) an Agreement for Lease;
- (b) an Occupational Lease; or
- (c) any other document designated as such by the Mall Loan Facility Agent and the Obligor.

Lease Prepayment Proceeds means any premium excluding VAT or other amount paid to an Obligor in respect of any agreement to amend, supplement,

extend, waive, surrender or release a Lease Document other than Reletting Reserve Amounts.

Leasing Commissions

means any commissions in respect of any Lease Document.

Lender

means:

- (a) the Original Lender; or
- (b) any other person which has become a Lender in accordance with the provisions of the Mall Facility Agreement,

which, in each case, has not ceased to be a party in accordance with the terms of the Mall Facility Agreement.

LIBOR

has the meaning given to it in Condition 5.3 (Rate of Interest).

LIBOR Screen Rate

has the meaning given to it in Condition 5.3 (Rate of Interest).

Limitation Acts

means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

Limited Partner

means BNP Paribas Jersey Trust Corporation Limited in its capacity as trustee of the Mall Unit Trust.

Liquidation Fee

has the meaning given to it on page 52.

Liquidation Proceeds

means proceeds arising from any sale which the Issuer realises in the event of enforcement and liquidation (which includes, for the avoidance of doubt, any distressed sale made pursuant to a consensual arrangement with the Obligors) and which shall be net of costs and expenses of sale, if any, of the Securitised Loan, any direct or indirect interest in any Borrower or any part of the Properties (plus VAT, if applicable).

LTV

means, at any time:

- (a) the sum of the Mall Loans outstanding, less:
 - (i) so much of the amount standing to the credit of the Disposals Account as is required to be applied in prepayment of the Mall Loans; and
 - (ii) any amount standing to the credit of the Equity Cure Account which is permitted to be deducted from the value of the Mall Loans in accordance with the provisions of the Mall Facility Agreement;

as a percentage of:

- (b) the aggregate market value of the Properties (determined in accordance with the most recent Valuation of the

Properties at that time).

For the purpose of calculating the aggregate market value of the Properties in accordance with paragraph (b) above, the market value in respect of each of the Walthamstow Property and the Wood Green Property shall be reduced by the amount of the Walthamstow Potential Stamp Tax Liability or Wood Green Potential Stamp Tax Liability (as applicable), save that no such adjustment shall be made:

- (a) to the extent that the Potential Stamp Tax Liability has been paid or otherwise settled with HMRC; or
- (b) following a sale of the relevant Property,

Provided, in each case, that the Borrower has obtained confirmation from HMRC, advice from leading counsel or a firm of reputable professional advisers, in each case satisfactory to the Mall Loan Security Agent (acting on the instructions of the Majority Lenders acting reasonably), that the relevant Potential Stamp Tax Liability has been satisfied, discharged by operation of law, should not be payable or has otherwise ceased to exist.

LTV Cure Amount	has the meaning given to it on page 136.
Luton Property	has the meaning given to it in Appendix 2 (Properties).
Maidstone Property	has the meaning given to it in Appendix 2 (Properties).
Main Securities Market	means the regulated market of the Irish Stock Exchange.
Major Development Consent Request	means any Finance Document Request in respect of Works in respect of a Property which would result in (a) expenditure in respect of any construction costs, expenses and fees equal to or greater than £20,000,000 at that Property, (b) a 20 per cent. or greater reduction in contracted rental income per annum in respect of that Property at the time immediately prior to the commencement of the relevant Works at that Property, or (c) which would be reasonably likely to result in a Mall Loan Event of Default.
Majority Lender	means a Lender or Lenders whose Commitments aggregate more than 50.1 per cent. of the Total Commitments or, if the Total Commitments have been reduced to zero, aggregated more than 50.1 per cent. of the Total Commitments immediately prior to the reduction.
Mall Facility Agreement	means the £380,000,000 credit facility agreement dated 30 May 2014 as amended and restated by the Amendment Deed.
Mall Loan	means the Floating Rate Mall Loan, the Securitised Loan and the Retained Fixed Rate Mall Loan.
Mall Loan Arranger	means Morgan Stanley Bank, N.A.

Mall Loan Default	means a Mall Loan Event of Default which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be a Mall Loan Event of Default.
Mall Loan Default Interest	means interest which accrues on any unpaid amount in accordance with the Mall Facility Agreement which is in excess of the amount of interest which would otherwise be payable were the relevant amount not an unpaid amount.
Mall Loan Event of Default	means any event or circumstance specified as such in the Mall Facility Agreement (see the section entitled “Description of the Mall Facility Agreement” for further details).
Mall Loan Facility Agent	means Mount Street Loan Solutions LLP.
Mall Loan Fixed Rate	means 1.86 per cent.
Mall Loan Fixed Rate Break Costs	has the meaning given to it on page 119.
Mall Loan Interest Period	means each period determined under the Mall Facility Agreement by reference to which interest on the Mall Loan or an Unpaid Sum is calculated.
Mall Loan Interpolated Screen Rate	<p>means, in relation to Mall Loan LIBOR for the Mall Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:</p> <ul style="list-style-type: none"> (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Mall Loan Interest Period; and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant Mall Loan Interest Period, <p>each as of 11:00am on the Quotation Day for the currency of the Mall Loan.</p>
Mall Loan Legal Reservations	<p>means:</p> <ul style="list-style-type: none"> (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors; (b) the time-barring of claims under the Limitation Acts the possibility that an undertaking to assume liability for or indemnify a person against non-payment of U.K. stamp duty may be void and defences of set-off or

counterclaim;

- (c) the limitation of the enforcement of the terms of leases of real property by laws of general application to those leases;
- (d) charges expressed to be fixed charges may only operate as floating charges;
- (e) any payment to be made in compensation for a breach of the Finance Documents may be a penalty and may not be enforceable in whole or part;
- (f) similar principles, rights and remedies under the laws of any Relevant Jurisdiction; and
- (g) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinions supplied to the Mall Loan Facility Agent as a condition precedent under the Mall Facility Agreement on or before the first Utilisation Date.

Mall Loan LIBOR

means, in relation to any Mall Loan:

- (a) the applicable Screen Rate;
- (b) (if no Screen Rate is available for the Mall Loan Interest Period of that Mall Loan) the Mall Loan Interpolated Screen Rate for that Mall Loan; or
- (c) if:
 - (i) no Screen Rate is available for sterling; or
 - (ii) no Screen Rate is available for the Mall Loan Interest Period of that Mall Loan and it is not possible to calculate the Mall Loan Interpolated Screen Rate for that Mall Loan,

the Mall Loan Reference Bank Rate,

as of, in the case of paragraphs (a) and (c) above, 11:00a.m. on the Quotation Day for sterling and for a period equal in length to the Mall Loan Interest Period of that Mall Loan and, if any such rate is below zero, Mall Loan LIBOR will be deemed to be zero.

Mall Loan Margin

means, in relation to any Mall Loan:

- (a) subject to paragraph (b) below, 2.10 per cent. per annum. (or 2.35 per cent. per annum while a Mall Loan Event of Default is continuing or the Borrower has failed to deliver a Compliance Certificate); or
- (b) if the LTV ratio as is shown in the most recently

delivered Compliance Certificate is:

- (i) less than or equal to 45 per cent., the Mall Loan Margin will be equal to 1.95 per cent. per annum;
- (ii) greater than 45 per cent. but less than or equal to 60 per cent., the Mall Loan Margin will be equal to 2.10 per cent. per annum; or
- (iii) greater than 60 per cent., the Mall Loan Margin will be 2.35 per cent. per annum,

in each case such increase or decrease taking effect on the date which is the first day of the next Mall Loan Interest Period for that Mall Loan following receipt by the Mall Loan Facility Agent of the Compliance Certificate.

Mall Loan Market Value Input Variables means the outputs listed in the table at Appendix 3 (Mall Loan Market Value Input Variables).

Mall Loan Payment Date means 22 January, 22 April, 22 July and 22 October in each year and the Mall Loan Termination Date, with the first Mall Loan Payment Date being 22 July 2014. If, however, any such day is not a Business Day, the Mall Loan Payment Date will instead be the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Mall Loan Prepayment Accrued Interest has the meaning given to it on page 163.

Mall Loan Prepayment Fees has the meaning given to it on page 118.

Mall Loan Reference Bank Rate means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Mall Loan Facility Agent at its request by the Mall Loan Reference Banks in relation to Mall Loan LIBOR as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

Mall Loan Reference Banks means the principal London offices of Barclays Bank PLC, HSBC Bank plc and Lloyds Bank plc or such other banks as may be appointed by the Mall Loan Facility Agent in consultation with the Borrower.

Mall Loan Security means the Security created or evidenced or expressed to be created or evidenced under the Mall Loan Security Documents.

Mall Loan Security Agent means Mount Street Loan Solutions LLP.

Mall Loan Security Agreement means a Security over the assets of an Obligor entered into or to be entered into by that Obligor in favour of the Mall Loan

Security Agent in an agreed form.

Mall Loan Security Document

means:

- (a) an English Security Agreement;
- (b) a Jersey Security Agreement;
- (c) a Subordinated Creditors' Security Agreement;
- (d) the Partners' Security Agreement;
- (e) any accession deed for a Mall Loan Security Agreement;
- (f) a Confirmatory Security Agreement;
- (g) a Confirmatory Jersey Security Document;
- (h) any other document entered into by a Mall Loan Transaction Obligor evidencing or creating security over any asset to secure any obligation of any Obligor to a Secured Party under the Finance Documents; or
- (i) any other document designated as such by the Mall Loan Security Agent and the Borrower.

Mall Loan Tax

means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Mall Loan Tax Credit

means a credit against, relief or remission for or repayment of any tax payable under the Mall Facility Agreement.

Mall Loan Termination Date

means 30 May 2019.

Mall Loan Transaction Documents

means:

- (a) a Finance Document;
- (b) a Material Lease;
- (c) a Headlease;
- (d) a Fund Manager Agreement;
- (e) a Property Management Agreement;
- (f) the Partnership Agreement;
- (g) a Trust Instrument;
- (h) any Declaration of Trust;

- (i) the Governance Agreement;
- (j) any constitutional document of a Mall Loan Transaction Obligor; or
- (k) any other document designated as such by the Mall Loan Facility Agent and the Borrower.

Mall Loan Transaction Obligor means:

- (a) an Obligor;
- (b) the Mall Unit Trustee;
- (c) Capital & Regional Jersey Limited; and/or
- (d) a Subordinated Creditor.

Mall Loan Valuer means:

- (a) CB Richard Ellis;
- (b) Cushman & Wakefield; or
- (c) when:
 - (i) the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders acting reasonably, believes a Mall Loan Default has occurred and is continuing or is likely to occur as a result of obtaining a Valuation);
 - (ii) the Projected Interest Cover is less than 160 per cent.; or
 - (iii) for the purposes of any valuation in relation to a Property Substitution or an Additional Property Accession,

any other surveyor or valuer appointed by the Mall Loan Facility Agent.

Mall Management Agreement means the property and asset management agreement dated 28 February 2002, as amended by a number of deeds of variation up to and including 4 April 2013, between the Property Manager and the Borrower.

Mall Trust Instrument means the trust instrument dated 9 March 2004 entered into by BNPTC in respect of the Mall Unit Trust as supplemented by supplemental trust instruments dated 13 May 2004, 23 April 2007, 19 June 2005, 22 April 2007, 20 July 2010 and 30 May 2014 as may be further supplemented and/or amended from time to time.

Mall Unit Trust	means The Mall Unit Trust, a Jersey property unit trust established pursuant to Article 7(3) of the Trusts (Jersey) Law 1984 and pursuant to the Mall Trust Instrument.
Margin Stock	means margin stock or margin security within the meaning of Regulations T, U and X.
Master Definitions Schedule	means the master definitions schedule entered into by, among others, the Issuer, the Note Trustee, the Issuer Security Trustee and the Agents dated on or about the Closing Date.
Material Adverse Effect	means a material adverse effect on: <ul style="list-style-type: none"> (a) the ability of the Obligors taken as a whole to perform their payment and financial covenant obligations under the Finance Documents; (b) the business, assets or financial condition of the Obligors taken as a whole; (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purported to be granted pursuant to any of, the Finance Documents; or (d) the rights or remedies of any Finance Party under any of the Finance Documents.
Material Breach of Securitised Loan Warranty	means a breach of a Securitised Loan Warranty in any material respect where the facts and circumstances giving rise to that breach have a material adverse effect on the ability of the Issuer to make timely payment in full of its obligations under the Class A Notes and the Class B Loan.
Material Contracts	means the Property Management Agreements, the Fund Manager Agreement and the security release documents entered into in connection with the release of security under the Existing Financing on or about the date of the Mall Facility Agreement.
Material Lease	means any Lease Document in respect of which there is equal to or more than £250,000 of Rental Income per annum (or will be on the expiry of any rent-free or rent-concession period).
Minority Interests	means the issued units in the Mall Unit Trust not owned legally and beneficially by Capital & Regional Units LLP (a limited liability partnership registered in England and Wales with number OC317534) and/or Capital & Regional (Europe Holding 5) Limited (a company incorporated in Jersey with registered number 94695) as at 22 September 2014.
Modelling Assumptions	has the meaning given to it on page 198.

Month	means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that: <ul style="list-style-type: none"> (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one or, if there is not, on the immediately preceding Business Day; (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and (c) if a Mall Loan Interest Period begins on the last Business Day of a calendar month, that Mall Loan Interest Period shall end on the last Business Day in the calendar month in which that Mall Loan Interest Period is to end.
Negative Consent:	has the meaning given to it in Condition 13.9 (Negative Consent).
Net Rental Income	means Rental Income less Tenant Contributions.
New Equity Contribution	means an amount to be contributed as additional advances or capital contributions by the Limited Partner to the Borrower in accordance with the terms of the Partnership Agreement.
Non-Contracted Income	means income received by an Obligor from: <ul style="list-style-type: none"> (a) carparks managed by an Obligor (or on behalf of an Obligor); (b) short-term leases (with an unexpired term of less than six months) for store-rooms and corridors; and (c) licence agreements (with an unexpired term of less than six months) in respect of cashpoint machines, advertising panels, mobile phone antennae and promotional units, <p>in each case located within the Properties,</p> <p>but, in each case, excluding VAT received (if any).</p>
Non-Securitized Mall Loan	has the meaning given to it on page 111.
Note EoD Plan	has the meaning given to it on page 60.
Note Factor	has the meaning given to it in Condition 7.5 (Principal Amount Outstanding and Note Factor).

Note Maturity Plan	has the meaning given to it on page 193.
Note Maturity Plan Trigger Date	has the meaning given to it on page 195.
Note Trust Deed	means the note trust deed dated on or about the Closing Date between the Issuer and the Note Trustee.
Note Trustee	means U.S. Bank Trustees Limited in its capacity as note trustee under the Note Trust Deed.
Obligor	means the Borrower or a Guarantor.
Obligor Account	means the Partnership Account, the Prepayment Account, the Cash Trap Account, the Disposals Account, the Capex Account, the Equity Cure Account, the Property Substitution Deposit Account, the Cash Management Account, the Reletting Reserve Account, the General Account, each Collection Account, each Client Rent Deposit Account, each Client Service Charge Account, each Client Landlord Revenue Expenditure Account, each Client Insurance Account, the CRPM Mall Lut S/Fund Client Account and/or the CRPM Mall Cares Client Account.
OC Valuation	means the valuation of the Properties as set out in Appendix 1 (OC Valuation).
Occupational Leases	means any lease or licence or other right of occupation or right to receive rent to which a Property may at any time be subject and includes any guarantee of a tenant's obligations under the same.
Offering Circular	means this document.
Official List	means the Official List of the Irish Stock Exchange.
Operating Expenses	means any of the following amounts: <ul style="list-style-type: none"> (a) ground rent and other sums paid or payable under Headleases, rates and insurance premia; (b) costs and expenses incurred in complying with applicable laws and regulations relating to any Property; (c) vacancy costs (including void rates) paid or payable in respect of the Properties; (d) costs and expenses paid or payable in relation to any car park relating to any Property; (e) sums paid or payable in respect of a breach of covenant or dilapidations under any Lease Document; (f) sums paid or payable in respect of any Leasing Commissions in respect of any Lease Document where

the Net Rental Income for that Lease Document is included, provided that such amounts do not exceed £750,000 in any Calculation Period;

- (g) fees, costs or expenses paid or payable in respect of any Valuation of any Property;
- (h) management, adviser, marketing, accountancy, audit, general corporate, administrative, board, unit trust or other similar fees, costs or expenses paid or payable in relation to any of the Properties; and
- (i) management, adviser, marketing, accountancy, audit, general corporate, administrative, board, unit trust or other similar fees, costs or expenses paid or payable in relation to any Obligor, provided that such amounts do not exceed £750,000 in any calculation period of 12 months.

Option Price

has the meaning given to it on page 193.

Ordinary Resolution

means, in respect of the Class A Noteholders:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Note Trust Deed by a clear majority consisting of not less than 50.1 per cent. of the of the persons voting thereat on a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 50.1 per cent of the votes cast on such poll;
- (b) a Written Ordinary Resolution (being a resolution in writing signed by or on behalf of the Class A Noteholders of not less than a clear majority consisting of not less than 50.1 per cent. in aggregate Principal Amount Outstanding of the Class A Notes or of the Class A Notes outstanding, which resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Class A Noteholders); or
- (c) an Electronic Ordinary Resolution (being, a resolution approved by or on behalf of the Class A Noteholders of not less than 50.1 per cent. in aggregate Principal Amount Outstanding of the Class A Notes by way of electronic consents communicated through the electronic communications systems of the relevant Clearing Systems to the Principal Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the Clearing Systems),

and, in the circumstances set out in Condition 13.9 (Negative Consent), will be deemed to have been passed unless the holders of Class A Notes outstanding constituting 50 per cent. or more in

aggregate Principal Amount Outstanding of the Class A Notes have informed the Note Trustee in the prescribed manner of their objection to such Ordinary Resolution within (in respect of a Finance Document Request) seven Business Days or (in respect of any matter other than a Finance Document Request) 30 clear days after the date on which a notice containing the text of such Ordinary Resolution which invites Class A Noteholders to object to the same and details the manner in which such objections should be made has been given to such Class in accordance with the provisions of Condition 17 (Notice to Class A Noteholders).

Original Financial Statements	means: <ul style="list-style-type: none">(a) in relation to the Borrower, the consolidated financial statements of the Group for the financial year ended 31 December 2013; and(b) in relation to each Obligor, its statements for its financial year ended 31 December 2012.
Original Lender	Morgan Stanley Bank, N.A.
Outstanding Principal Balance	means, on any date, the nominal amount of the Class B Loan on the Closing Date less the aggregate amount of repayments or prepayments of principal since the Closing Date.
Participating FFI	has the meaning given to it on page 261.
Partners' Security Agreement	means an agreement providing for Security over the partnership interests in the Borrower entered into by BNPTC (as trustee of the Mall Unit Trust) and the General Partner in favour of the Mall Loan Security Agent in an agreed form.
Partners	means each of the General Partner and the Limited Partner.
Partnership	means the Borrower as established by the Partnership Agreement and registered under the Limited Partnerships Act 1907.
Partnership Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Partnership Agreement	means the limited partnership deed originally dated 25 January 2002 as amended and restated on or about 22 September 2014 and as amended and/or restated from time to time between the General Partner and the Limited Partner in respect of the Borrower.
Partnership Relevant Percentage	has the meaning given to it on page 81.
Partnership Units	means the units in the Borrower held by the Partners.
Passing Rental	has the meaning given to it in the definition of "Projected Interest Cover".

Pavilion Trustees	has the meaning given to it on page 272.
Paying Agents	has the meaning given to it on page 210.
Permitted Financial Indebtedness	means Financial Indebtedness: <ul style="list-style-type: none"> (a) incurred under the Finance Documents; (b) from the date of the Mall Facility Agreement to and including the first Utilisation Date, arising under or in respect of the Existing Financing; (c) which is Subordinated Debt governed by English law; (d) that arises as a normal trade credit in the ordinary course of the relevant Obligor's business which is not overdue or outstanding for more than 90 days and which is not greater than £200,000 when aggregated with all other amounts permitted under this paragraph (d) and all amounts permitted as a loan or form of credit granted to any person as a normal trade credit in the ordinary course of the relevant Obligor's business which is not overdue or outstanding for more than 90 days and which is not greater than £200,000 (all such amounts to be aggregated as if such amounts have a positive value); or (e) to which the Majority Lenders have given their prior written consent.
Permitted Payment	has the meaning given to it on page 153.
Permitted Transfer	means: <ul style="list-style-type: none"> (a) the transfer of units in the Mall Unit Trust or shares in the General Partner in circumstances which do not cause a change of control under the mandatory prepayment provisions of the Mall Facility Agreement; or (b) the disposal of an Obligor or a Property which is expressly permitted under the Mall Facility Agreement.
Person	has the meaning given to it on page 133.
Portfolio	has the meaning given to it on page ii.
Post-Acceleration Priority of Payments	has the meaning given to it on page 172.
Post-Sequential Payment Trigger Principal Priority of Payments	has the meaning given to it on page 168.
Potential Class A Note Event of	means an event which would be (with the expiry of any grace

Default	period, the giving of notice or the making of any determination under the Issuer Transaction Documents or any combination of them) a Class A Note Event of Default.
Potential Stamp Tax Liability	means the Walthamstow Potential Stamp Tax Liability and/or Wood Green Potential Stamp Tax Liability (as applicable).
PPTL	means Pavilion Property Trustees Limited, a company incorporated in Jersey with registered number 87660.
Pre-Acceleration Principal Allocation Rules	has the meaning given to it on page 167.
Pre-Acceleration Revenue Priority of Payments	has the meaning given to it on page 165.
Prepayment	has the meaning given to it on page 169.
Prepayment Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Pre-Sequential Payment Trigger Principal Priority of Payments	has the meaning given to it on page 168.
Principal Amount Outstanding	has the meaning given to it in Condition 7.5 (Principal Amount Outstanding and Note Factor).
Principal Determination Date	means four Business Days prior to a Principal Prepayment Date.
Principal Liquidation Fee	means that part of the Liquidation Fee, as determined by the Issuer Cash Manager, that is payable in respect of Liquidation Proceeds which represent principal.
Principal Paying Agent	means Elavon Financial Services Limited, U.K. Branch in its capacity as principal paying agent under the Agency Agreement.
Principal Prepayment Date	means the date five Business Days following the date of receipt of Principal Receipts by or on behalf of the Issuer.
Principal Receipts	has the meaning given to it on page 164.
Principal Redemption Amounts	has the meaning given to it on page 168.
Principal Workout Fee	means that part of the Workout Fee, as determined by the Issuer Cash Manager, that is payable in respect of a collection of principal received in respect of the Securitised Loan for so long as it remains a Corrected Loan.
Prohibited Payments	has the meaning given to it on page 133.
Projected Interest Cover	means, as at any date, Passing Rental as a percentage of Finance Costs at that date. For the purposes of this definition:
	(a) Calculation Period means:

- (i) for Finance Costs, a period of 12 Months commencing on the Mall Loan Payment Date immediately following the date on which the calculation is made; and
 - (ii) for Passing Rental, a period of 12 Months commencing on the first day of the calendar quarter immediately preceding the date on which the calculation is made;
- (b) **Finance Costs** means the aggregate amount of interest payable to the Finance Parties under the Mall Facility Agreement during the Calculation Period commencing on that date, save that interest payable on the Floating Rate Mall Loan shall be deemed to be the sum of (A) the applicable Mall Loan Margin and (B) the lower of 12-month LIBOR as at that date and, subject to paragraph (ii) below, (to the extent that any interest rate cap(s) is/are in place and no default is continuing under the relevant Hedging Agreements) the interest rate cap(s) strike rate (and assuming that when the Calculation Period begins after the fourth anniversary of the date of the Mall Facility Agreement:
 - (i) calculations will be performed as if the Mall Loan Termination Date is 30 May 2020; and
 - (ii) interest between the fifth anniversary of the date of the Mall Facility Agreement and the end of the Calculation Period will be calculated on the same basis as interest calculated prior to 30 May 2019, except that Mall Loan LIBOR will not be capped at the level of the interest rate caps);
- (c) **Passing Rental** means, as at any date for determination, the aggregate amount of Net Rental Income which will be received by the Obligors under the Lease Documents or as Non-Contracted Income during the Calculation Period commencing on that date, as adjusted by the items referred to in paragraphs (d)(i) to (d)(ix) (inclusive) below;
- (d) in calculating Passing Rental:
 - (i) a break clause under any Lease Document will be deemed to be exercised at the earliest date available to the relevant tenant unless:
 - (A) new unconditional and binding Lease Document(s) has/have been entered into in respect of the area the subject of the relevant Lease Document to take effect immediately upon that break;

- (B) the Mall Loan Facility Agent has received written confirmation in form and substance satisfactory to the Mall Loan Facility Agent (acting on the instructions of the Majority Lenders acting reasonably) that such break clause will not be exercised;
- (ii) Net Rental Income will be ignored if:
 - (A) payable by a tenant that is a Mall Loan Transaction Obligor or an Affiliate of a Mall Loan Transaction Obligor; and
 - (B) it is not payable under an unconditional and binding Lease Document (unless it is Non-Contracted Income);
- (iii) potential Net Rental Income increases as a result of rent reviews (other than rent reviews which have been agreed in writing between an Obligor and the relevant occupational tenant prior to the relevant calculation date or where there are fixed rental increases pursuant to the relevant Lease Document) will be ignored until unconditionally ascertained;
- (iv) Net Rental Income payable by a tenant that is more than three months in arrears on the relevant calculation date for determining Passing Rental will be ignored;
- (v) the total amount of Turnover Rent included in Net Rental Income shall not exceed 75 per cent. of the Turnover Rent received during the 12 month period ending on the date immediately preceding the relevant calculation date for determining Passing Rental;
- (vi) in the case of income referred to in paragraph (a) of the definition of Non-Contracted Income (the **Car Park Income**), Net Rental Income shall (without double counting) include an amount equal to 100 per cent. of the Car Park Income received by an Obligor in the 36 month period ending on the date immediately preceding the relevant calculation date for determining Passing Rental (excluding any amounts received in respect of any car park or Property no longer owned by the Group at the relevant calculation date) divided by three;
- (vii) in the case of income referred to in the definition

of “Non-Contracted Income other than Car Park Income” (the **Non-Car Park Income**), Net Rental Income shall (without double counting) include an amount equal to 100 per cent. of the lower of (A) the Non-Car Park Income received by an Obligor in the 36 month period ending on the date immediately preceding the relevant calculation date for determining Passing Rental (excluding any amounts received in respect of any Property no longer owned by the Group at the relevant calculation date) divided by three; and (B) the Non-Car Park Income received by an Obligor in the 12 month period ending on the date immediately preceding the relevant calculation date for determining Passing Rental (excluding any amounts received in respect of any Property no longer owned by the Group at the relevant calculation date);

- (viii) Net Rental Income will be reduced by the amount of any deduction or withholding for or on account of tax from that Net Rental Income; and
- (ix) Net Rental Income will be reduced by the amounts (together with any irrecoverable VAT) (without double counting):
 - (A) of ground rent and other sums paid or payable under Headleases, rates and insurance premia;
 - (B) in respect of costs and expenses incurred in complying with applicable laws and regulations relating to any Property;
 - (C) of any vacancy costs (including void rates) paid or payable in respect of the Properties;
 - (D) in respect of costs and expenses paid or payable in relation to any car park relating to any Property;
 - (E) of any sum paid or payable in respect of a breach of covenant or dilapidations under any Lease Document;
 - (F) of any commitment fees, agency fees or security agency fees paid or payable in accordance with the Mall Facility Agreement;
 - (G) of any sum paid or payable in respect of

any Leasing Commissions in respect of any Lease Document where the Net Rental Income for that Lease Document is included, provided that such amounts do not exceed £750,000 in any Calculation Period;

- (H) of any fees, costs or other expenses paid or payable to:
 - (i) a Property Manager in accordance with the terms of a Property Management Agreement (excluding amounts constituting the Property Manager Performance Fee); and/or
 - (ii) the Fund Manager in accordance with the terms of a Fund Manager Agreement (excluding amounts constituting the Fund Manager Performance Fee),

provided such amount does not exceed (exclusive of VAT) the lower of £6,000,000 or 15 per cent. of Rental Income in any 12 month period;

- (I) of any fees, costs or expenses paid or payable in respect of any Valuation of any Property;
- (J) of any management, adviser, marketing, accountancy, audit, general corporate, administrative, board, unit trust or other similar fees, costs or expenses paid or payable in relation to any of the Properties; and
- (K) of any management, adviser, marketing, accountancy, audit, general corporate, administrative, board, unit trust or other similar fees, costs or expenses paid or payable in relation to any Obligor, provided that such amounts do not exceed £750,000 in any Calculation Period,

in each case during the relevant Calculation Period, to the extent that any of those items are not funded by the tenants, by way of Tenant Contributions or otherwise, under the Lease Documents; and

- (e) the Borrower shall, in each Compliance Certificate and

at the request of the Mall Loan Facility Agent, calculate Projected Interest Cover, but if the Borrower does not provide a calculation in each Compliance Certificate and/or when requested by the Mall Loan Facility Agent or the Mall Loan Facility Agent (acting reasonably) disagrees with any calculation provided, then the Agent may (acting reasonably) calculate Projected Interest Cover and (in the absence of manifest error) that calculation of the Mall Loan Facility Agent shall prevail over any calculation of the Borrower.

Property	means a property listed in Appendix 2 (Properties) as described in a Mall Loan Security Document and, where the context so requires, includes the buildings on or units in that Property.
Property IRR	means the discount rate expressed as a percentage per annum that, when applied, the expenditure and the receipts on the Properties, on an ungeared basis, over a given period produces a net present value of zero.
Property Management Agreements	has the meaning given to it on page 93.
Property Manager	means Capital and Regional Property Management Limited or any other managing agent and/or asset manager appointed by an Obligor in respect of the Properties in accordance with the Mall Loan Facility Agent.
Property Manager Duty of Care Agreement	has the meaning given to it on page 94.
Property Manager Performance Fee	means the performance fee (as defined in the Property Management Agreement) due to the Property Manager in accordance with the terms of the Property Management Agreement where such fee is paid from amounts standing to the credit of the Partnership Account or the General Account.
Property Protection Loan	<p>means a loan made by a Lender to an Obligor to finance:</p> <ul style="list-style-type: none">(a) the payment of rent or any other amount, or any cost or expense, under or in connection with a Headlease;(b) the payment of any premium for insurance, or any cost or expense required to keep any insurance in force, in accordance with the Mall Facility Agreement; or(c) the payment of any amount which, in the opinion of the Lender concerned, is required to preserve or protect any Security Asset, <p>in circumstances where an Obligor is obliged under a Finance Document but has failed within any applicable grace period to pay the relevant amount.</p>

Property Report	means, in respect of any Property, any certificate of or report on title supplied to the Mall Loan Facility Agent as a condition precedent under the Mall Facility Agreement on or before the first Utilisation Date.
Property Substitution	has the meaning given to that term on page 116.
Property Substitution Deposit Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Prospectus Directive	has the meaning given to it on page i.
Protected Matter	<p>means a modification or amendment to the Issuer Transaction Documents which would have the effect of:</p> <ul style="list-style-type: none"> (a) changing the negative consent procedure as outlined in Condition 13.9 (Negative Consent); (b) increasing the threshold for an Extraordinary Resolution to be passed from 50.1 per cent.; (c) amending clause 7.2(b) of the Servicing Agreement; (d) amending clause 7.2 (Power to agree) (other than sub-clause (b)) of the Servicing Agreement in a manner which: <ul style="list-style-type: none"> (i) impedes or restricts the ability of the Servicer or the Special Servicer to exercise its discretions; or (ii) is not substantially similar, <p>in each case as compared with clause 7.2 (Power to agree) (other than sub-clause (b)) of the Servicing Agreement on the Closing Date;</p> (e) amending clause 3.1 (Duty of care) of the Servicing Agreement so that: <ul style="list-style-type: none"> (i) it is stricter or so that it imposes greater or more onerous requirements to be observed or taken into account by the Servicer or the Special Servicer to exercise its discretions; or (ii) it is not substantially similar, <p>in each case as compared with clause 3.1 (Duty of care) of the Servicing Agreement on the Closing Date;</p> (f) amending the definition of “Reserved Matters”; and (g) amending the definition of “Major Development Consent Request”.

- Protected Party** means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Mall Loan Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Mall Loan Tax to be received or receivable) under a Finance Document.
- PTL** means Pavilion Trustees Limited, a company incorporated in Jersey with registered number 18478.
- Purchaser** has the meaning given to it on page 267.
- Qualifying Lender** means:
- (a) a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:
 - (i) a Lender:
 - (A) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA; or
 - (B) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or a bank that would be within the charge to corporation tax as respects the payments of interest apart from section 18A of the CTA; or
 - (ii) a Lender which is:
 - (A) a company resident in the United Kingdom for United Kingdom tax purposes;
 - (B) a partnership each member of which is:
 - I. a company so resident in the United Kingdom; or

II. a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA;

(C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or

(iii) a Treaty Lender; or

(b) a Lender which is a building society (as defined for the purpose of section 880 of the ITA) making an advance under a Finance Document.

Quarterly Deferred Consideration

has the meaning given to it on page 106.

Quotation Day

means, in relation to any period for which an interest rate is to be determined, the first day of that period unless market practice differs in the London interbank market, in which case the Quotation Day will be determined by the Mall Loan Facility Agent in accordance with market practice in the London interbank market (and if quotations would normally be given by leading banks in the London interbank market on more than one day, the Quotation Day will be the last of those days).

Rate of Interest

means the Class A Rate of Interest and/or the Class B Rate of Interest, as the context may require.

Recalcitrant Holder

has the meaning given to it on page 261.

Receiver

means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets.

Record Date

has the meaning given to it in Condition 6.1 (Global Note).

Recovery Claim

has the meaning given to it in the definition of the term "Recovery Prepayment Proceeds".

Recovery Prepayment Proceeds	<p>means the proceeds of a claim (a Recovery Claim) against:</p> <ul style="list-style-type: none"> (a) the vendor of any Property or any of its Affiliates (or any employee, officer or adviser); (b) the provider of any Property Report, the Tax and Structure Opinion, the Jersey Tax and Structure Opinion or the provider of any other due diligence report (in its capacity as provider of the same) in connection with the development, financing or refinancing of the shares in any Obligor or any Property, <p>except for Excluded Recovery Proceeds, and after deducting:</p> <ul style="list-style-type: none"> (i) any reasonable expenses incurred by an Obligor to a person who is not a Mall Loan Transaction Obligor or Affiliate of a Mall Loan Transaction Obligor; and (ii) any Mall Loan Tax incurred and required to be paid by an Obligor (as reasonably determined by that Obligor on the basis of existing rates and taking into account any available credit, deduction or allowance), <p>in each case in relation to that Recovery Claim.</p>
Reference Banks	<p>means the principal London offices of Barclays Bank PLC, HSBC Bank plc and Lloyds Bank plc or such other banks as may be appointed by (i) the Mall Loan Facility Agent in consultation with the Borrower or (ii) (in the event LIBOR is determined in accordance with Condition 5.3(h)) the Issuer pursuant to the Conditions.</p>
Refurbishment Notice	<p>means a notice served by the landlord of the Camberley Property on the tenant of the Camberley Property (either at the landlord's discretion or following a request from the tenant) requiring the tenant to commence works for the purpose of modernising and/or reconstructing the Camberley Property pursuant to the terms of the Headlease dated 23 June 1988.</p>
Register	<p>means the register maintained by the Registrar in accordance with the Agency Agreement listing, among other things, the registered owners of the Global Note and the Definitive Notes.</p>
Registrar	<p>means Elavon Financial Services Limited in its capacity as registrar pursuant to the Agency Agreement.</p>
Regulations T, U and X	<p>means, respectively, Regulations T, U and X of the Board of Governors of the Federal Reserve System of the United States (or any successor) as now and from time to time in effect.</p>
Regulatory Information Service	<p>means the companies announcement office at the Irish Stock Exchange or the equivalent office of any other stock exchange on which the Class A Notes may be listed.</p>

Reletting Reserve Account	means the account designated as such under the Mall Facility Agreement and includes any replacement of that account.
Reletting Reserve Amounts	means the amounts of any premium (excluding VAT) or other amount paid to an Obligor in respect of any agreement to amend, supplement, extend, waive, surrender or release a Lease Document which an Obligor intends to apply towards Tenant Incentives in respect of the Property to which the relevant Lease Document relates, provided such amounts are deposited immediately in and held in the Reletting Reserve Account and applied in each case in accordance with the provisions of the Mall Facility Agreement.
relevant date	has the meaning given to it in Condition 9 (Prescription).
Relevant Implementation Date	has the meaning given to it on page 264.
Relevant Jurisdiction	means, in relation to an Obligor: <ul style="list-style-type: none"> (a) its jurisdiction of incorporation or establishment; (b) any jurisdiction where any asset subject to or intended to be subject to the Mall Loan Security to be created by it is situated; (c) any jurisdiction where it conducts its business; and (d) the jurisdiction whose laws govern the perfection of any of the Mall Loan Security Documents entered into by it.
Relevant Margin	means the Class A Margin and/or the Class B Margin, as the context may require.
Relevant Member State	means each member state of the EEA which has implemented the Prospectus Directive.
Relevant Percentage	has the meaning given to it on page 57.
Relevant Portion	means the amount of the Fixed Rate Mall Loan repaid or prepaid for each Justified Termination.
Rental Income	means the aggregate of all amounts paid or payable to or for the account of any Obligor in connection with the letting, licence or grant of other rights of use or occupation of any part of a Property, including each of the following amounts: <ul style="list-style-type: none"> (a) rent, licence fees, concession fees and equivalent amounts paid or payable; (b) any sum received or receivable from any deposit held as security for performance of a tenant's obligations; (c) a sum equal to any apportionment of rent allowed in

favour of any Obligor;

- (d) any other moneys paid or payable in respect of occupation and/or usage of that Property and any fixture and fitting on that Property, including any fixture or fitting on that Property for display or advertisement, on licence or otherwise (and including any Non-Contracted Income);
- (e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;
- (f) any sum paid or payable, or the value of any consideration given, for the grant, surrender, amendment, supplement, waiver, extension or release of any Lease Document;
- (g) any sum paid or payable in respect of a breach of covenant or dilapidations under any Lease Document;
- (h) any sum paid or payable by or distribution received or receivable from any guarantor of any occupational tenant under any Lease Document;
- (i) any Tenant Contributions; and
- (j) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above less any related fees and expenses incurred (which have not been reimbursed by another person) by any Obligor.

Repeating Representations

has the meaning given to it on page 134.

Reporting FI

has the meaning given to it on page 261.

Requisite Rating

means the rating of long or short-term (as appropriate) unsecured debt instruments in issue by a person (which are neither subordinated nor guaranteed) which meet the following requirements:

- (a) in relation to a bank or financial institution at which an Obligor Account is held, short-term instruments with any one of the following ratings: F1 (or better) by Fitch, P-1 (or better) by Moody's or A-1 (or better) by S&P;
- (b) in relation to any insurance company or underwriter, long-term instruments with or an insurer financial strength rating of one of the following ratings: A (or better) by AM Best, A (or better) by Fitch, A2 (or better) by Moody's or A (or better) by S&P; and
- (c) in relation to a hedge counterparty, long-term instruments with any two of the following ratings: BBB-

(or better) by Fitch, Baa3 (or better) by Moody's or BBB- (or better) by S&P.

Reserved Matter

means any consent, waiver or amendment to any term of a Finance Document that would result in any of the following:

- (a) an extension of the Mall Loan Termination Date (either by formal extension or the grant of a standstill);
- (b) a change in the amount of principal, the rate of interest (except as contemplated under the Finance Documents) or any fees payable in respect of the Mall Loan (except in the case of an enforcement or other similar realisation of the Mall Loan Security) which:
 - (i) reduces amounts payable to the Finance Parties; or
 - (ii) would result in the Finance Parties receiving an amount/distribution other than a *pro rata* share of the difference in amount of principal, interest or other fees payable in respect of the Mall Loan

in each case, as compared to the amounts payable prior to the implementation of the change;

- (c) a modification of the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of the Mall Loan;
- (d) a change in the currency of payment of the Mall Loan;
- (e) the Issuer being required to make any further advance of monies to any Obligor or other person;
- (f) a release of any material security for the Mall Loan (unless (A) a corresponding principal repayment is made or such release is required under law or contemplated in the Finance Documents or (B) the Servicer or, as applicable, the Special Servicer considers there would be no material prejudice to the interests of the Issuer, determined in accordance with the Servicing Standard, as a result);
- (g) unless the Securitised Loan is then designated a Specially Serviced Loan:
 - (i) the release of an Obligor from any of its material obligations under the Finance Documents (otherwise than in accordance with the terms thereof);
 - (ii) the material impairment of the Mall Loan Security; or

	(iii) the reduction in the likelihood of timely payments of amounts due on the Securitised Loan or the modification of any monetary terms in relation to monies due under the Finance Documents; or
	(h) modification to this definition of Reserved Matters.
Resignation Letter	means a letter of resignation from an Obligor requesting the release of its obligations as an Obligor under the Mall Facility Agreement.
Restricted Party	means any person that is: <ul style="list-style-type: none"> (a) listed on, or owned or controlled by a person listed on, a Sanctions List; (b) a government of a Sanctioned Country; (c) an agency or instrumentality of, or an entity directly or indirectly owned or controlled by, a government of a Sanctioned Country; (d) resident or located in, operating from, or incorporated under the laws of, a Sanctioned Country; or (e) to the best knowledge of any Obligor (acting with due care and enquiry), otherwise a target of Sanctions.
Retained Fixed Rate Mall Loan	has the meaning given to it on page 111.
Retention Deed	means the agreement between the Original Lender and the Issuer relating to the Original Lender's retention of a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of each of Article 405 of the Capital Requirements Regulation and Article 51 of the AIFM Regulation.
Revenue Determination Date	has the meaning given to it on page 73.
Revenue Receipts	has the meaning given to it on page 163.
RICS	has the meaning given to it on page x.
Sanction	means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any Sanctions Authority.
Sanctioned Country	means any country or other territory, including Cuba, Iran, North Korea, Sudan and Syria, which at the time of an applicable acquisition or accession is the subject of Sanctions.
Sanctions Authority	means:

- (a) the United States;
- (b) the United Nations Security Council;
- (c) the European Union;
- (d) the United Kingdom; or
- (e) the respective governmental institutions of any of the foregoing, including, without limitation, Her Majesty's Treasury, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of Commerce, the U.S. Department of State and any other agency of the U.S. government.

Sanctions List

means any of the lists of specifically designated nationals or designated or sanctioned individuals or entities (or equivalent) issued by any Sanctions Authority, each as amended, supplemented or substituted from time to time.

Savills

means Savills Advisory Services Limited.

Screen Rate

means the London interbank offered rate administered by the British Bankers Association (or any other person which takes over the administration of that rate) for sterling for the relevant period, displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Mall Loan Facility Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

Second Jersey Tax and Structure Opinion

means the agreed form legal opinion issued on or about 22 September 2014 addressed to and/or capable of being relied upon by the Finance Parties confirming, amongst other things, that there is no tax required to be paid in Jersey as a result of:

- (a) the issue, transfer or redemption of units in the Mall Unit Trust; or
- (b) the entry by each Obligor into the amendment documents.

Second Tax and Structure Opinion

means the agreed form letter attaching the Tax and Structure Opinion and confirming that the Tax and Structure Opinion remains valid as at 5 November 2014 and opining to the reasonable satisfaction of the Finance Parties that no material U.K. tax liabilities arise as a result of:

- (a) the entry into the Acquisition by the C&R Entities;
- (b) the acquisition by the C&R Entities of issued units in the

Mall Unit Trust previously owned by Aviva Life and Pensions UK Limited as nominee of A/C A214, Aviva Life and Pensions U.K. Limited, Aviva Life and Pensions UK Limited and Karoo Investment Funds S.C.A. by way of transfer on or about 14 July 2014; and/or

(c) the entry by each Obligor into the amendment documents.

Secured Liabilities	means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Mall Loan Transaction Obligor to any Secured Party under each Finance Document.
Secured Party	means a Finance Party, a Receiver or any Delegate.
Securities Act	means the U.S. Securities Act of 1933, as amended.
Securitisation Regulations	has the meaning given to it on page 30.
Securitized Loan	has the meaning given to it on page 1.
Securitized Loan Sale Agreement	means the agreement to be entered into by the Issuer, the Securitized Loan Seller, the Mall Loan Facility Agent and the Issuer Security Trustee on the Closing Date.
Securitized Loan Sale Documents	means the Securitized Loan Sale Agreement and the Transfer Certificate.
Securitized Loan Seller	means Morgan Stanley Principal Funding, Inc.
Securitized Loan Warranty	has the meaning given to it on page 107.
Security	means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Security Assets	means all of the assets of the Mall Loan Transaction Obligors which from time to time are, or are expressed to be, the subject of the Mall Loan Security.
Senior Debt	has the meaning given to it on page 152.
Senior Quarterly Deferred Consideration	means Quarterly Deferred Consideration accrued to (but excluding) the Expected Maturity Date and Quarterly Deferred Consideration accrued while the Securitized Loan is not a Specially Serviced Loan.
Sequential Payment Trigger	has the meaning given to it on page 167.
Servicer	means Mount Street Mortgage Servicing Limited.
Servicer Document	has the meaning given to it on page 176.

Servicer Quarterly Report	has the meaning given to it on page 190.
Servicing Agreement	means the servicing agreement dated on or about the Closing Date entered into by the Issuer, the Issuer Security Trustee, the Mall Loan Facility Agent, the Class B Lender, the Servicer and the Special Servicer.
Servicing Fee	has the meaning given to it on page 186.
Servicing Standard	has the meaning given to it on page 175.
Share Trustee	means SFM Corporate Services Limited.
Shortfall Deferred Consideration	has the meaning given to it on page 106.
Special Servicer	means Mount Street Mortgage Servicing Limited.
Special Servicing Fee	has the meaning given to it on page 186.
Special Servicing Transfer Event	has the meaning given to it on page 177.
Specially Serviced Loan	has the meaning given to it on page 178.
Specified Interest Payment Date	has the meaning given to it on page 162.
Specified Principal Prepayment Date	has the meaning given to it on page 162.
Subordinated Creditor	means the Mall Limited Partnership, The Mall (General Partner) Limited, PPTL and PTL acting in their capacity as trustees of The Main Square Camberley Unit Trust, Selborne Walthamstow Limited, Selborne One Limited, Selborne Two Limited, Wood Green London Limited, Wood Green One Limited, Wood Green Two Limited, Mall Nominee One Limited, Mall Nominee Two Limited, Capital & Regional (Mall GP) Limited and any other person which becomes a Subordinated Creditor in accordance with the provisions of the Mall Facility Agreement.
Subordinated Creditors' Security Agreement	means a Security over Subordinated Debt entered into by a Subordinated Creditor in favour of the Mall Loan Security Agent.
Subordinated Debt	means, in relation to a Subordinated Creditor, all present and future liabilities and obligations at any time, both actual and contingent and whether incurred solely or jointly or in any other capacity, which are owed or expressed to be owed by a Debtor to a Subordinated Creditor.
Subordination Agreement	means the subordination deed dated 30 May 2014 between, amongst others, the Subordinated Creditors, the Debtors, the Mall Limited Partnership and Mount Street Loan Solutions LLP.

Subscription Agreement	means the subscription agreement entered into on or about 19 December 2014 between the Issuer and the Lead Manager.
Subsequent Interest Rate Cap Confirmation	has the meaning given to it on page 173.
Subsidiary	means an entity of which a person has direct or indirect control or which owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.
Substitute Property	has the meaning given to it on page 116.
Surplus Deferred Consideration	has the meaning given to it on page 106.
Surplus Mall Loan Prepayment Accrued Interest	has the meaning given to it on page 170.
Surplus Mall Loan Prepayment Fee	has the meaning given to it on page 170.
Swept Rental Income	means Net Rental Income, plus all amounts recovered as VAT in respect of the items listed at paragraphs (d)(ix)(F) and (d)(ix)(H) of the definition of Projected Interest Cover, less Operating Expenses.
Tax and Structure Opinion	means the tax and structure legal opinion issued by the Borrower's solicitors dated 30 May 2014 and relating to the Group.
Tax Deduction	means a deduction or withholding for or on account of Mall Loan Tax from a payment under a Finance Document other than a FATCA Deduction.
Tenancy Information	means the spreadsheets entitled (i) "Luton Tenancy Schedule & Vacant", (ii) "Camberley Tenancy Schedule & Vacant", (iii) "Wood Green Schedule Tenancy & Vacant", (iv) "Walthamstow Tenancy Schedule & Vacant", (v) "Blackburn Tenancy Schedule & Vacant" and (vi) "Maidstone Tenancy Schedule & Vacant" each dated 15 April 2014 and containing information relating to Occupational Leases delivered by the Borrower or on its behalf to the Mall Loan Facility Agent.
Tenant Contributions	means any amount paid or payable to an Obligor by any tenant under a Lease Document or any other occupier of a Property, by way of: <ul style="list-style-type: none"> (a) A contribution to: <ul style="list-style-type: none"> (i) ground rent;

- (ii) insurance premia;
- (iii) the cost of an insurance valuation;
- (iv) a service or other charge in respect of an Obligor's costs in connection with any management, repair, maintenance or similar obligation or in providing services to a tenant of, or with respect to, a Property; or
- (v) a reserve or sinking fund; or

(b) VAT.

Tenant Incentives

means the cost of any improvement works to be paid by an Obligor in respect of any part of the Properties which are in each case granted by an Obligor to a tenant under a Lease Document as an incentive or inducement for that tenant to enter into, extend or vary that Lease Document.

The Main Square Camberley

has the meaning given to it on page 272.

Third Party Payment

has the meaning given to it on page 184.

Total Commitments

means the aggregate of the Commitments, being £380,000,000 at the Closing Date.

Tranche A

means the sterling floating term loan made available under the Mall Facility Agreement in an aggregate amount equal to £146,666,667.67.

Tranche A Commitment

- (a) in relation to an Original Lender, £146,666,666.67 in relation to the Floating Rate Mall Loan and the amount of any other Tranche A Commitment transferred to it under the Mall Facility Agreement; and
- (b) in relation to any other Lender, the amount of any Tranche A Commitment transferred to it under the Mall Facility Agreement,

to the extent not cancelled, reduced or transferred by it under the Mall Facility Agreement.

Tranche B

means the sterling fixed rate term loan made available under the Mall Facility Agreement in an aggregate amount equal to £233,333,333.33.

Tranche B Commitment

- (a) in relation to an Original Lender, £233,333,333.33 in relation to the Fixed Rate Mall Loan and the amount of any other Tranche B Commitment transferred to it under the Mall Facility Agreement; and
- (a) in relation to any other Lender, the amount of any

Tranche B Commitment transferred to it under the Mall Facility Agreement,

to the extent not cancelled, reduced or transferred by it under the Mall Facility Agreement.

Transfer Certificate means a certificate (substantially in the form attached to the Mall Facility Agreement) in respect of the Mall Loan.

Transfer Restrictions has the meaning given to it on page 267.

Treaty means a double taxation agreement.

Treaty Lender means a Lender which:

- (a) is treated as a resident of a Treaty State for the purposes of the Treaty;
- (b) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Mall Loan is effectively connected; and
- (c) meets all other requirements of the Treaty for full exemption from Mall Loan Tax imposed by the United Kingdom on interest except that for this purpose it shall be assumed that the following are satisfied:
 - (i) any condition which relates (expressly or by implication) to there not being a special relationship between the Borrower and a Lender or between both of them and another person, or to the amounts or terms of any Mall Loan or the Finance Documents or to any other matter that is outside the exclusive control of that Lender; and
 - (ii) any necessary procedural formalities.

Treaty State means a jurisdiction having a double taxation agreement with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

Trust Instruments means the Camberley Trust Instrument and the Mall Trust Instrument.

Turnover Rent means any Rental Income payable under a Lease Document under which rent is calculated in whole or in part by reference to turnover.

U.K. Bribery Act means the Bribery Act 2010, as amended from time to time.

Unit Trust means:

- (a) the Camberley Unit Trust; and

	(b) the Mall Unit Trust.
Unit Trust Trustees	means: <ul style="list-style-type: none"> (a) the Camberley Trustees; and (b) the Limited Partner.
Unpaid Sum	means any sum due and payable but unpaid by an Obligor under the Finance Documents.
U.S. Foreign Corrupt Practices Act	means the Foreign Corrupt Practices Act of 1977 of the United States of America, as amended from time to time.
U.S.-U.K. IGA	has the meaning given to it on page 261.
Utilisation	means a utilisation of the Facility.
Utilisation Date	means the date of a Mall Loan, being the date on which the relevant Mall Loan is to be made.
Utilisation Request	means a notice requesting a loan substantially in the form set out in the Mall Facility Agreement.
Valuation	means: <ul style="list-style-type: none"> (a) a valuation of a Property, or as the context requires, the Properties by a Mall Loan Valuer, supplied at the request of the Mall Loan Facility Agent, addressed to the Finance Parties and prepared on the basis of the agreed form of valuation instruction; and (b) the Former Valuation.
VAT	means: <ul style="list-style-type: none"> (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.
Verified Debtholder	has the meaning given to it in Condition 17.4 (Verified Debtholder and Initiating Debtholder).
Verified Noteholder	has the meaning given to it in Condition 17.4 (Verified Debtholder and Initiating Debtholder).
Walthamstow Potential Stamp Tax Liability	means, if stamp duty liability were to arise on the purchase price of the Walthamstow Property, a stamp duty liability of £3,712,000.

Walthamstow Property	has the meaning given to it in Appendix 2 (Properties).
Wood Green Potential Stamp Tax Liability	means, if stamp duty liability were to arise on the purchase price of the Wood Green Property, a stamp duty liability of £1,724,000.
Wood Green Property	has the meaning given to it in Appendix 2 (Properties).
Workout Fee	has the meaning given to it on page 52.
Works	means any demolition or construction involving structural alterations or additions, development or other similar operations.
Written Extraordinary Resolution	means an Extraordinary Resolution passed in writing by holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the Class A Notes.
Written Ordinary Resolution	means an Ordinary Resolution passed in writing by holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the Class A Notes.
Written Resolution:	means a Written Extraordinary Resolution or a Written Ordinary Resolution.

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