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Mint 2015 plc

(incorporated with limited liability in England and Wales with registered number 9494722)
(the **Issuer**)

GBP109,259,000 CLASS A COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS GBP-A NOTES)
GBP CLASS X1 CERTIFICATE (CLASS GBP-X1 CERTIFICATE)
GBP CLASS X2 CERTIFICATE (CLASS GBP-X2 CERTIFICATE)

GBP42,023,000 CLASS B COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS GBP-B NOTES)
GBP14,228,000 CLASS C COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS GBP-C NOTES)
GBP48,768,000 CLASS D COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS GBP-D NOTES)
GBP29,318,000 CLASS E COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS GBP-E NOTES)
GBP7,488,000 CLASS F COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS GBP-F NOTES)

EUR54,789,000 CLASS A COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS EUR-A NOTES)
EUR CLASS X1 CERTIFICATE (CLASS EUR-X1 CERTIFICATE)
EUR CLASS X2 CERTIFICATE (CLASS EUR-X2 CERTIFICATE)

EUR21,915,000 CLASS B COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS EUR-B NOTES)
EUR21,915,000 CLASS C COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS EUR-C NOTES)
EUR26,298,000 CLASS D COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS EUR-D NOTES)
EUR6,048,000 CLASS E COMMERCIAL MORTGAGE BACKED NOTES DUE 2025 (CLASS EUR-E NOTES)

This document (the **Prospectus**) comprises a prospectus for the purpose of the EU Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State) (the **Prospectus Directive**). This Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and European Union (**EU**) law pursuant to the Prospectus Directive. Such approval relates only to the Class GBP-A Notes, the Class GBP-B Notes, the Class GBP-C Notes, the Class GBP-D Notes, the Class GBP-E Notes and the Class GBP-F Notes (collectively, the **GBP Notes**), and the Class EUR-A Notes, the Class EUR-B Notes, the Class EUR-C Notes, the Class EUR-D Notes and the Class EUR-E Notes (the **EUR Notes** and, together with the GBP Notes, the **Notes**) which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC. Application has been made to the Irish Stock Exchange for the Notes to be admitted to its Official List and trading on the Main Securities Market which is a regulated market for the purposes of Directive 2004/39/EC. None of the GBP-X1 Certificates or the GBP-X2 Certificates (collectively, the **GBP-X Certificates**), or the Class EUR-X1 Certificates or the Class EUR-X2 Certificates (collectively, the **EUR-X Certificates** and, together with the GBP-X Certificates, the **Class X Certificates**) will be admitted to trading on any market. Accordingly, subject as described herein, the Issuer will issue the GBP Notes, the EUR Notes, the GBP-X Certificates and the EUR-X Certificates on 18 June 2015 (or such later date as the Issuer and J.P. Morgan Securities plc (the **Arranger** and the **Lead Manager**) may agree) (the **Closing Date**).

The Issuer is relying on an exclusion or exemption from the definition of “investment company” under the U.S. Investment Company Act of 1940, as amended (the **Investment Company Act**) other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) thereof. The Issuer was structured so as not to constitute a “covered fund” for purposes of the Volcker Rule under the Dodd-Frank Act (both as defined herein).

Before making any decision to invest in the Notes, potential Noteholders should pay particular attention to the section herein entitled “Risk Factors” starting on page 31.

Arranger and Lead Manager

J.P. Morgan

The date of this Prospectus is 18 June 2015

Key characteristics of the Notes and Class X Certificates

GBP Notes and GBP-X Certificates

GBP Notes/ GBP-X Certificates	Initial Principal Amount	Issue Price	Interest Reference Rate ⁽¹⁾⁽³⁾	Relevant Margin	Expected Note Maturity Date ⁽²⁾	Final Note Maturity Date	Ratings S&P/ DBRS*
Class GBP-A Notes	£109,259,000	100%	three-month LIBOR	1.30%	22 February 2018	22 February 2025	AAAsf/ AAAsf
Class GBP-X1 Certificates	N/A	N/A	N/A	N/A	N/A	N/A	NR
Class GBP-X2 Certificates	N/A	N/A	N/A	N/A	N/A	N/A	NR
Class GBP-B Notes	£42,023,000	100%	three-month LIBOR	1.60%	22 February 2018	22 February 2025	AAsf/ AA(low)sf
Class GBP-C Notes	£14,228,000	100%	three-month LIBOR	1.90%	22 February 2018	22 February 2025	AA-sf/ A(low)sf
Class GBP-D Notes	£48,768,000	100%	three-month LIBOR	2.75%	22 February 2018	22 February 2025	BBB+sf/ BBB(low)sf
Class GBP-E Notes ⁽⁴⁾	£29,318,000	100%	three-month LIBOR	3.50%	22 February 2018	22 February 2025	BBB-sf/ BB(low)sf
Class GBP-F Notes ⁽⁵⁾	£7,488,000	100%	three-month LIBOR	4.50%	22 February 2018	22 February 2025	BB+sf/ B(high)sf

- (1) The GBP Notes will bear interest at (a) three month sterling LIBOR (or, in the case of the first Note Interest Period, the linear interpolation of one-month and three-month sterling LIBOR deposits), plus (b) the Relevant Margin specified above. Distributions in respect of the GBP-X Certificates will be calculated pursuant to a formula as set out below in Condition 5 (Class X Payments) under “Terms and Conditions of the Class X Certificates” (the **Class X Certificates Conditions**).
- (2) Pursuant to the terms of the Senior Facility Agreement, Senior PledgeCo has the option to twice extend the Final Senior Loan Repayment Date by one year by delivering to the Senior Facility Agent an irrevocable notice not less than 30 days nor more than 90 days prior to the Initial Senior Loan Repayment Date or, as applicable, the First Extended Senior Loan Maturity Date. Any such extension will delay correspondingly the Expected Note Maturity Date of the GBP Notes.
- (3) For each Note Interest Period commencing on or after the Expected Note Maturity Date (as may be extended), the amount of interest (if any) due on any Class of the GBP Notes which represents the amount by which Note three-month sterling LIBOR exceeds 8.0 per cent. per annum will be a **Note LIBOR Excess Amount**. Payment of the Note LIBOR Excess Amount on any Class of GBP Notes will be subordinated to, *inter alia*, the payment of all other amounts of interest due on each Class of GBP Notes under the GBP Pre-Enforcement Priority of Payments, and will be subordinated to, *inter alia*, the payments of all other amounts of interest and all repayments of principal due on each Class of GBP Notes under the GBP Post-Enforcement Priority of Payments.
- (4) Interest on the Class GBP-E Notes will be subject to an available funds cap (the **Class GBP-E Available Funds Cap**). If on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class GBP-E Notes on that date is in excess of the Class GBP-E Adjusted Interest Payment Amount (as defined in Condition 5.7(a) (Available Funds Cap)), and such excess is attributable to a reduction in the interest-bearing balance of the Securitised GBP Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class GBP-E Notes will be subject to a cap at the Class GBP-E Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class GBP-E Notes that would otherwise be due on such Note Payment Date.
- (5) Interest on the Class GBP-F Notes will be subject to an available funds cap (the **Class GBP-F Available Funds Cap**). If on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class GBP-F Notes on that date is in excess of the Class GBP-F Adjusted Interest Payment Amount (as defined in Condition 5.7(b) (Available Funds Cap)), and such excess is attributable to a reduction in the interest-bearing balance of the Securitised GBP Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class GBP-F Notes will be subject to a cap at the Class GBP-F Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class GBP-F Notes that would otherwise be due on such Note Payment Date.

EUR Notes and EUR-X Certificates

EUR Notes/ EUR-X Certificates	Initial Principal Amount	Issue Price	Interest Reference Rate ^{(6) (8)}	Relevant Margin	Expected Note Maturity Date ⁽⁷⁾	Final Note Maturity Date	Ratings S&P/ DBRS*
Class EUR-A Notes	€54,789,000	100%	three-month EURIBOR	1.20%	22 February 2018	22 February 2025	AAAsf/ AAAsf
Class EUR-X1 Certificates	N/A	N/A	N/A	N/A	N/A	N/A	NR
Class EUR-X2 Certificates	N/A	N/A	N/A	N/A	N/A	N/A	NR
Class EUR-B Notes	€21,915,000	100%	three-month EURIBOR	1.60%	22 February 2018	22 February 2025	AAsf/ AA(high)sf
Class EUR-C Notes	€21,915,000	100%	three-month EURIBOR	2.00%	22 February 2018	22 February 2025	Asf/A(low)sf
Class EUR-D Notes ⁽⁹⁾	€26,298,000	100%	three-month EURIBOR	2.90%	22 February 2018	22 February 2025	BBB-sf/ BBB(low)sf
Class EUR-E Notes ⁽¹⁰⁾	€6,048,000	100%	three-month EURIBOR	3.90%	22 February 2018	22 February 2025	BB+sf/ BB(high)sf

(6) The EUR Notes will bear interest at (a) three month EURIBOR (or, in the case of the first Note Interest Period, the linear interpolation of one-month and three-month EURIBOR deposits), plus (b) the Relevant Margin specified above. Distributions in respect of the EUR-X Certificates will be calculated pursuant to a formula as set out below in Condition 5 (Class X Payments) under the Class X Certificates Conditions.

(7) Pursuant to the terms of the Senior Facility Agreement, Senior PledgeCo has the option to twice extend the Final Senior Loan Repayment Date by one year by delivering to the Senior Facility Agent an irrevocable notice not less than 30 days nor more than 90 days prior to the Initial Senior Loan Repayment Date or, as applicable, the First Extended Senior Loan Maturity Date. Any such extension will delay correspondingly the Expected Note Maturity Date of the EUR Notes.

(8) For each Note Interest Period commencing on or after the Expected Note Maturity Date (as may be extended), the amount of interest (if any) due on any Class of the EUR Notes which represents the amount by which Note three-month EURIBOR exceeds 8.0 per cent. per annum will be a **Note EURIBOR Excess Amount**. Payment of the Note EURIBOR Excess Amount on any Class of EUR Notes will be subordinated to, *inter alia*, the payment of all other amounts of interest due on each Class of EUR Notes under the EUR Pre-Enforcement Priority of Payments, and will be subordinated to, *inter alia*, the payments of all other amounts of interest and all repayments of principal due on each Class of EUR Notes under the EUR Post-Enforcement Priority of Payments.

(9) Interest on the Class EUR-D Notes will be subject to an available funds cap (the **Class EUR-D Available Funds Cap**). If, on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class EUR-D Notes on that date is in excess of the Class EUR-D Adjusted Interest Payment Amount (as defined in Condition 5.7 (Available Funds Cap)), and such excess is attributable to a reduction in the interest-bearing balance of the Securitised EUR Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class EUR-D Notes will be subject to a cap at the Class EUR-D Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class EUR-D Notes that would otherwise be due on such Note Payment Date.

(10) Interest on the Class EUR-E Notes will be subject to an available funds cap (the **Class EUR-E Available Funds Cap**). If, on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class EUR-E Notes on that date is in excess of the Class EUR-E Adjusted Interest Payment Amount (as defined in Condition 5.7 (Available Funds Cap)), and such excess is attributable to a reduction in the interest-bearing balance of the Securitised EUR Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class EUR-E Notes will be subject to a cap at the Class EUR-E Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class EUR-E Notes that would otherwise be due on such Note Payment Date.

*

The ratings assigned by Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Services Europe Limited (**S&P**) address the likelihood of: (a) timely payment of any interest due to the Noteholders in respect of the Notes on each Note Payment Date; and (b) full repayment of principal on the Notes by a date that is not later than the Final Note Maturity Date. The ratings assigned by DBRS Ratings Limited (**DBRS**) address the risk of default, being the risk that the Issuer will fail to satisfy its financial obligations relating to the Notes in accordance with the terms under which the Notes have been issued. The assignment of ratings to the Notes is not a recommendation to invest in the Notes. Any credit rating assigned to the Notes may be revised, suspended or withdrawn at any time. The ratings assigned to the Notes do not address the likelihood of payment of any Note LIBOR Excess Amounts (in the case of the GBP Notes), Note EURIBOR Excess Amounts (in the case of the EUR Notes) or any Note Prepayment Fees in respect of the Notes. The Rating Agencies have informed the Issuer that the "sf" designation in the ratings represents an identifier of structured finance product ratings and was implemented by the Rating Agencies for ratings of structured finance products as of August 2010. For additional information about this identifier, prospective investors can go to www.standardandpoors.com and www.dbrs.com. Each of S&P and DBRS is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended pursuant to Regulation 513/2011/EU of the European Parliament and the Council of 11 May 2011 (**the CRA Regulation**). As such, each of S&P and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

<p><i>Closing Date</i></p>	<p>The Issuer expects to issue the Class GBP-A Notes, the Class GBP-B Notes, the Class GBP-C Notes, the Class GBP-D Notes, the Class GBP-E Notes and the Class GBP-F Notes (together, the GBP Notes), the Class GBP-X1 Certificate and the Class GBP-X2 Certificate (together, the GBP-X Certificates), the Class EUR-A Notes, the Class EUR-B Notes, the Class EUR-C Notes, the Class EUR-D Notes and the Class EUR-E Notes (together, the EUR Notes) and, together with the GBP Notes, the Notes), and the Class EUR-X1 Certificate and the Class EUR-X2 Certificate (together, the EUR-X Certificates and, together with the GBP-X Certificates, the Class X Certificates) on or about 18 June 2015. The GBP Notes and the EUR Notes are each separately referred to herein as a Currency Series.</p>
<p><i>Note Payment Dates</i></p>	<p>22 February, 22 May, 22 August and 22 November in each year or, if any such day is not a Business Day, the Note 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 Note Payment Date). The first Note Payment Date in respect of the Notes will fall on or about 24 August 2015.</p>
<p><i>Underlying assets</i></p>	<p>On the Closing Date, the Issuer will apply the proceeds of the issue of the GBP Notes to acquire a 95 per cent. share, by principal balance, of the Senior GBP Loan (the Securitised GBP Loan) and will apply the proceeds of the issue of the EUR Notes to acquire a 95 per cent. share, by principal balance, of the Senior EUR Loan (the Securitised EUR Loan and, together with the Securitised GBP Loan, the Securitised Loans). The Securitised Loans will be acquired by the Issuer from JPMorgan Chase Bank, N.A., London Branch (the Loan Seller) pursuant to the Loan Sale Documents. The remaining 5 per cent. share, by principal balance, of the Senior GBP Loan and the Senior EUR Loan (together, the Retained Tranche) will be retained by the Retention Holder (as defined below).</p> <p>The Senior GBP Loan and the Senior EUR Loan were advanced by the Loan Seller to the Senior Borrowers on 17 December 2014 pursuant to a facilities agreement dated 12 December 2014 between, amongst others, Carolia Pledgeco Limited (Senior PledgeCo) and the Loan Seller (the Senior Facility Agreement).</p> <p>As of the Closing Date, the outstanding principal balance of the Securitised GBP Loan is £251,084,000 and the outstanding principal balance of the Securitised EUR Loan is €130,965,000.</p> <p>Pursuant to the Loan Sale Documents, the Issuer will pay to the Loan Seller, as initial consideration for the Securitised GBP Loan, the amount of £251,084,000 and, as initial consideration for the Securitised EUR Loan, the amount of €130,965,000. In addition, the Issuer will issue to the Loan Seller (a) the GBP-X Certificates, in partial consideration for the sale by the Loan Seller of the Securitised GBP Loan and (b) the EUR-X Certificates, in partial consideration for the sale by the Loan Seller of the Securitised EUR Loan.</p> <p>The Issuer will also distribute to the Loan Seller, as a portion of Additional Deferred Consideration, an amount equal to the difference between (i) the aggregate amount of interest on the Securitised Loans accruing from (and including) 15 May 2015 to (but excluding) the date falling seven days prior to the Closing Date, and (ii) certain indemnification amounts, if any, as described under “<i>Description of the Loan Sale Documents—Loan Sale Documents—Consideration</i>”. This distribution will be made on the Senior Loan Interest Payment Date on which such amounts are received by the Issuer under the Senior Facility Agreement.</p> <p>Payments of interest and repayments of principal received by the Issuer in respect of the Securitised GBP Loan shall be applied only to make payments of interest and repayments of principal in respect of the GBP Notes, and payments of interest and repayments of principal received by the Issuer in respect of the Securitised EUR Loan shall be applied only to make payments of interest and repayments of principal in respect of the EUR Notes, in each case in accordance with the relevant Issuer Priority of Payments.</p>

	<p>The Issuer will make distributions in respect of the GBP-X Certificates solely from payments of interest under the Securitised GBP Loan, and the Issuer will make distributions in respect of the EUR-X Certificates solely from payments of interest under the Securitised EUR Loan.</p> <p>The Securitised GBP Loan and the Securitised EUR Loan are secured by, among other things, a portfolio of commercial hotel properties, located in the United Kingdom (the UK Properties) and the Netherlands (the Dutch Property and each, a Property and, collectively, the Properties or the Portfolio). Although the Senior Facility Agreement contains several features designed to allocate the GBP cashflows derived from the UK Properties to the Senior GBP Loan and to allocate EUR cashflows derived from the Dutch Property to the Senior EUR Loan, the Senior GBP Loan and the Senior EUR Loan are ultimately fully cross-guaranteed and secured by the entirety of the Portfolio.</p> <p>During the life of the Notes (a) receipts derived from the Securitised GBP Loan are expected to be sufficient to pay all amounts in respect of the GBP Notes and (b) receipts derived from the Securitised EUR Loan are expected to be sufficient to pay all amounts in respect of the EUR Notes.</p> <p>The rights of the Issuer under the Securitised Loans are subject to an intercreditor agreement dated 12 December 2014 between, amongst others, the senior lenders under the Senior Facility Agreement (the Senior Lenders), the Mezzanine Lenders, the Senior Facility Agent and the Common Security Agent (as amended, the Intercreditor Agreement) (to which the Issuer will accede as a Senior Lender on or before the Closing Date).</p> <p>See the sections entitled “<i>Description of the Portfolio</i>”, “<i>The Key Characteristics of the Loan Security</i>”, “<i>Description of the Facility Agreements</i>”, “<i>Description of the Intercreditor Agreement</i>” and “<i>Cashflows and Issuer Priorities of Payments</i>” for more detail.</p>
<i>Use of proceeds</i>	To acquire the Securitised Loans from the Loan Seller pursuant to the Loan Sale Documents.
<i>Credit enhancement</i>	In respect of the GBP Notes, subordination of junior ranking GBP Notes, and in respect of the EUR Notes, subordination of junior ranking EUR Notes. See Condition 3 (Status and Relationship between the Notes and Security) in the section entitled “ <i>Terms and Conditions of the Notes</i> ” (the Conditions) for more detail.
<i>Liquidity Facilities</i>	<p>Pursuant to a liquidity facility agreement (the GBP Liquidity Facility Agreement), a liquidity facility (the GBP Liquidity Facility) will be available to fund, <i>inter alia</i>, certain expenses of the Issuer, payments of interest in respect of the GBP Notes and certain expenses due to third parties in connection with property protection and the operation of the UK Properties. As of the Closing Date, the maximum amount which may be drawn under the GBP Liquidity Facility will be £17,700,000.</p> <p>Pursuant to a liquidity facility agreement (the EUR Liquidity Facility Agreement and, together with the GBP Liquidity Facility Agreement, the Liquidity Facility Agreements), a liquidity facility (the EUR Liquidity Facility and, together with the GBP Liquidity Facility, the Liquidity Facilities) will be available to fund, <i>inter alia</i>, certain expenses of the Issuer, payments of interest in respect of the EUR Notes and certain expenses due to third parties in connection with property protection and the operation of the Dutch Property. As of the Closing Date, the maximum amount which may be drawn under the EUR Liquidity Facility will be €9,200,000.</p> <p>See section entitled “<i>Description of the Liquidity Facility Agreements</i>”.</p>
<i>Redemption provisions</i>	Information on the optional and mandatory redemption of the GBP Notes and the EUR Notes is summarised in the section entitled “ <i>The key provisions of the Notes, the Class X Certificates and the Issuer Transaction Documents</i> ” and is set out in full in Condition 7 (Redemption) in the Conditions.

<i>Rating Agencies</i>	<p>Standard & Poor’s Ratings Services, a division of Standard & Poor’s Credit Market Services Europe Limited (S&P) and DBRS Ratings Limited (DBRS) (collectively, the Rating Agencies).</p> <p>In general, European regulated investors are restricted from using a rating for regulatory purposes other than a rating issued by a credit rating agency established in the European Union and registered under the CRA Regulation, unless the rating is provided by a credit rating agency that operated in the European Union before 7 June 2010 and which has submitted an application for registration in accordance with the CRA Regulation and such application for registration has not been refused. As at the date of this Prospectus, each of the Rating Agencies is established in the European Union and has been registered in accordance with the CRA Regulation.</p>
<i>Listing</i>	Irish Stock Exchange.
<i>Limited recourse obligations</i>	The 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 Notes will not be obligations of J.P. Morgan Securities plc, or any other party named in this Prospectus, or any of their respective affiliates, other than the Issuer.
<i>EU Retention undertaking</i>	JPMorgan Chase Bank, N.A., London Branch, as original lender (the Original Lender and, as holder of the Retained Tranche, the Retention Holder), 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 Regulation (EU) No 575/2013 (the Capital Requirements Regulation), Article 51 of Regulation (EU) No 231/2013 (the AIFM Regulation) and Article 254 of Regulation (EU) No 2015/35 (the Solvency II 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 the Retained Tranche as required by the text of each of Article 405, Article 51 and Article 254. See the section entitled “ <i>Regulatory Disclosure</i> ” for information.
<i>Class X Certificates</i>	The GBP-X Certificates and the EUR-X Certificates are issued to the Loan Seller as partial consideration for the purchase by the Issuer of the Securitised GBP Loan and the Securitised EUR Loan, respectively, and are not debt securities and, accordingly, have no principal amount or maturity date.
<i>Risk factors</i>	The section entitled “ <i>Risk Factors</i> ” contains details of certain risks and other factors to which prospective investors should give particular consideration before investing in any of the Notes or the Class X Certificates. Prospective investors should be aware of the issues summarised within that section. An investment in any of the Notes or the Class X Certificates 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 list of the defined terms used in this Prospectus is set out in the section entitled “ <i>Index of Defined Terms</i> ”.

THE NOTES AND THE CLASS X CERTIFICATES 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 NOTES AND THE CLASS X CERTIFICATES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. THE NOTES AND THE CLASS X CERTIFICATES ARE BEING OFFERED AND SOLD TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**). THE NOTES AND THE CLASS X CERTIFICATES ARE NOT TRANSFERABLE EXCEPT UPON SATISFACTION OF CERTAIN CONDITIONS AS DESCRIBED UNDER “*TRANSFER RESTRICTIONS*” HEREIN.

THE NOTES AND THE CLASS X CERTIFICATES 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 PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

If any withholding or deduction for or on account of tax is applicable to payments in respect of the Notes or the Class X Certificates, 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 Notes of each Class will initially be represented by a global note in registered form for such Class of Notes, which will be deposited on or about the Closing Date with Euroclear or Clearstream, Luxembourg, as common safekeeper (subject to the right of Euroclear and Clearstream, Luxembourg to jointly determine that the other shall act as common safekeeper, the **Common Safekeeper**) and registered in the name of a nominee of the Common Safekeeper. Ownership interests in the Global Notes 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 Notes will be exchangeable for Definitive Notes in registered form only in certain limited circumstances set out herein.

Each of the Class X Certificates will initially be represented by a global certificate in registered form (the **Global Class X Certificates**), which will be deposited on or about the Closing Date with a Common Depository for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of the Common Depository. Ownership interests in the Global Class X Certificates will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. The Registrar will maintain a register in which it will register the nominee for the Common Depository as the holder of the Global Class X Certificates. The Global Class X Certificates may be issued in definitive registered form under certain circumstances.

IMPORTANT NOTICE

The distribution of this Prospectus and the offering of the Notes and the Class X Certificates 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 Arranger, the Lead Manager, the Loan Seller or the Retention Holder or any other person that this Prospectus may be lawfully distributed, or that the Notes and the Class X Certificates 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 Notes and the Class X Certificates or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Persons into whose possession this Prospectus (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 Prospectus 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 Arranger, the Lead Manager, the Loan Seller or the Retention Holder to subscribe for or purchase any of the Notes and/or the Class X Certificates and neither this Prospectus, 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 Notes and the Class X Certificates and distribution of this Prospectus (or any part hereof), see the sections entitled “*Subscription and Sale*” and “*Transfer Restrictions*”.

The Issuer accepts responsibility for the information contained in this Prospectus. 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 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where information in this Prospectus has been taken from a third party source, such source has been cited herein. 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 that 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.

CBRE Loan Servicing Limited accepts responsibility for the information contained in the section of this Prospectus entitled “*Description of the Initial Servicer and the Initial Special Servicer*”, insofar as the same relates to it. To the best of the knowledge and belief of CBRE Loan Servicing Limited (having taken all reasonable care to ensure that such is the case), the information contained in the section of this Prospectus entitled “*Description of the Initial Servicer and the Initial Special Servicer*” (insofar as the same relates to it) is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Loan Seller accepts responsibility for the information contained in the section of this Prospectus entitled “*JPMorgan Chase Bank, N.A., London Branch*”. To the best of the knowledge and belief of JPMorgan Chase Bank, N.A., London Branch (having taken all reasonable care to ensure that such is the case), the information contained in the section of this Prospectus entitled “*JPMorgan Chase Bank, N.A., London Branch*” is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of U.S. Bank Trustees Limited and Elavon Financial Services Limited, UK Branch accepts joint and several responsibility for the information contained in the section of this Prospectus entitled “*Description of the Note Trustee, the Issuer Security Trustee, the Cash Manager and the Account Bank*”, insofar as the same relates to each of them respectively. To the best of the knowledge and belief of U.S. Bank Trustees Limited and Elavon Financial Services Limited, UK Branch (each having taken all reasonable care to ensure that such is the case), the information contained in the section of this Prospectus entitled “*Description of the Note Trustee, the Issuer Security Trustee, the Cash Manager and the Account Bank*” (insofar as the same relates to each of them respectively) is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Arranger, the Lead Manager, the Loan Seller (other than as described above in relation to the section entitled “*JPMorgan Chase Bank, N.A., London Branch*”), the Retention Holder or each of the Servicer, the Special Servicer, the Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, any Paying Agent, the Note Trustee and any Appointee thereof, 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 Noteholders) and any receiver appointed pursuant to the terms of the Issuer Deed of Charge (the **Issuer Related Parties**) (other than as described above in relation to the sections entitled “*Description of the Initial Servicer and the Initial Special Servicer*” and “*Description of the Note Trustee, the Issuer Security Trustee, the Cash Manager and the Account Bank*”) has separately verified the information contained in this Prospectus. 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 Loan Seller, the Retention Holder or the Issuer Related Parties as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Notes and the Class X Certificates. Each person receiving this Prospectus acknowledges that such person has not relied on the Arranger, the Lead Manager, the Loan Seller, the Retention Holder or the Issuer Related Parties or on any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decision.

CBRE Limited accepts responsibility for the Initial Valuation (as defined under the Initial Valuation Disclaimer on page xiv of this Prospectus) incorporated into this Prospectus by reference. To the best of the knowledge and belief of CBRE Limited (having taken all reasonable care to ensure that such is the case), the information contained in the Initial Valuation is in accordance with the facts and does not omit anything likely to affect the accuracy of such information. The Initial Valuation Disclaimer below lists those properties which are the subject of the valuation. With the exception of the Initial Valuation, CBRE Limited does not accept any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer or any other party in connection with the issue of the Notes. The Initial Valuation may not be reproduced or used in connection with any other purpose and without the prior written consent of CBRE Limited.

Hilton Worldwide Holdings, Inc. and its affiliates do not assume any responsibility for the information contained in this Prospectus or the Initial Valuation.

No person is or has been authorised in connection with the issue and sale of the Notes and the Class X Certificates to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or by or on behalf of the Arranger, the Lead Manager, the Loan Seller, the Retention Holder, 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 Prospectus nor any sale or allotment made in connection with the offering of any of the Notes and the Class X Certificates 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 Notes and the Class X Certificates and interest thereon 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 Notes and the Class X Certificates will not be obligations or responsibilities of, or be guaranteed by, the Arranger, the Lead Manager, the Issuer Related Parties, the Loan Seller, the Retention Holder, any associated body of the Arranger, the Lead Manager, the Issuer Related Parties, the Loan Seller, the Retention Holder 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 Notes and the Class X Certificates.

The Issuer is not, and will not be, regulated by the Central Bank of Ireland by virtue of the issuance of the Notes and the Class X Certificates. Any investment in the Notes and the Class X Certificates 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 GBP Notes and the EUR Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the GBP Notes or the EUR Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

OFFEREE ACKNOWLEDGEMENTS

Each person receiving this Prospectus, by acceptance hereof, hereby acknowledges that this Prospectus has been prepared by the Issuer solely for the purpose of offering the Notes and the Class X Certificates described herein. Notwithstanding any investigation that the Arranger or the Lead Manager may have made with respect to the information set out herein, this Prospectus 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 Prospectus 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 Notes and the Class X Certificates is unauthorised, and any disclosure of any of its contents for any purpose other than considering an investment in the Notes and the Class X Certificates is strictly prohibited. A prospective investor will not be entitled to, and must not rely on this Prospectus unless it was furnished to such prospective investor directly by the Issuer or 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 Prospectus, and all of the statements and information contained in this Prospectus are qualified in their entirety by reference to such documents. This Prospectus 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 actual documents, copies of which may (on giving reasonable notice) be obtained from the Principal Paying Agent.

EACH PERSON RECEIVING THIS PROSPECTUS 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 PERSON AFFILIATED WITH 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 NOTES OR THE CLASS X CERTIFICATES 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 PROSPECTUS 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 ADVISORS FOR INVESTMENT, LEGAL AND TAX ADVICE AND AS TO THE DESIRABILITY AND CONSEQUENCES OF AN INVESTMENT IN THE NOTES.

INCORPORATION BY REFERENCE

Each of the documents listed below shall be deemed incorporated in, and form part of, this Prospectus:

- (a) the Initial Valuation produced by CBRE Limited;
- (b) the audited financial statements of Carolia Amsterdam Hotel B.V. (formerly City Inn Europe 1 B.V.) for the year ending 31 December 2012; and
- (c) the audited financial statements of Carolia Amsterdam Hotel B.V. (formerly City Inn Europe 1 B.V.) for the year ending 31 December 2013,

(together the **Documents Incorporated By Reference**).

This Prospectus is to be read in conjunction with the Documents Incorporated By Reference and construed on the basis that they are incorporated in, and form part of, this Prospectus.

Each of the Documents Incorporated By Reference will be available on the website of the Irish Stock Exchange at <http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=-1&uID=6991&FIELDSORT=docId&2=2>. The Documents Incorporated By Reference have been filed with the Irish Stock Exchange.

The Initial Valuation may not be reproduced or used in connection with any other purpose and without the prior written consent of CBRE Limited.

FORWARD-LOOKING STATEMENTS

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on repayment, prepayment and certain other characteristics of the Securitised Loans and reflect significant assumptions and subjective judgments by the Issuer and the Senior Borrowers, 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”, “will”, “could”, “believes”, “expects”, “projects”, “anticipates”, “continues”, “intends”, “plans” or similar terms. Consequently, future results may differ from the expectations of the Issuer and the Senior Borrowers 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, The Netherlands, the United Kingdom and other relevant jurisdictions. Other factors not presently known to the Issuer and the Senior Borrowers generally or that the Issuer and the Senior Borrowers presently believe are not material could also cause results to differ materially from those expressed in the forward-looking statements included in this Prospectus. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the 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 and the Senior Borrowers. Neither the Arranger nor the Lead Manager has attempted to verify any such statements, nor does it 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 or any of the Senior Borrowers 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

JPMorgan Chase Bank, N.A., London Branch, as Original Lender and Retention Holder, 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 Regulation (EU) No 575/2013 (the **Capital Requirements Regulation**), Article 51 of Regulation (EU) No 231/2013 (the **AIFM Regulation**) and Article 254 of Regulation (EU) No 2015/35 (the **Solvency II 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 each of the Senior GBP Loan and the Senior EUR Loan as required by the text of each of Article 405, Article 51 and Article 254. Any change to the manner in which such interest is held will be notified to Noteholders.

The Retention Holder has provided a corresponding undertaking with respect to the interest to be retained by it to the Issuer in the Loan Sale Agreement.

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 Prospectus 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 Loans and the Retained Tranche*” and “*Cash Management*”).

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with each of Part Five of the Capital Requirements Regulation (including Article 405), Section Five of Chapter III of the AIFM Regulation (including Article 51), Chapter VIII of Title I of the Solvency II Regulation (including Article 254) and any corresponding national measures which may be relevant and none of the Issuer, the Retention Holder nor the Lead Manager or the Arranger makes any representation that the information described above or in this prospectus 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 Notes and the Class X Certificates*”.

CRA Regulation

The credit ratings included or referred to in this Prospectus have (unless stated otherwise) been issued by the Rating Agencies each of which is established in the European Union, and has been registered in accordance with the CRA Regulation.

Information Regarding the Policies and Procedures of the Loan Seller

The Loan Seller has internal procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Loan Seller 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; and
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures.

INITIAL VALUATION DISCLAIMER

The Loan Seller engaged CBRE Limited (the **Valuer**) (a member of the Royal Institution of Chartered Surveyors (**RICS**)) to carry out an independent valuation (being the **Initial Valuation**) of the Properties as at 1 December 2014 (issued on 16 December 2014) in accordance with RICS Valuation - Professional Standards (published by RICS and effective from January 2014). The Initial Valuation was compiled prior to the advance of the Senior Loans, for the purposes of ascertaining the valuation for the Properties, including the cash flow and income streams of the Properties. The valuations in the Initial Valuation have been used for the purposes of the transactions described in this Prospectus.

At the Utilisation Date, the Initial Valuation covered a portfolio of seven hotels in the United Kingdom (including two hotels in London) and one hotel in the Netherlands. On 18 May 2015, five of the hotels in the UK were sold. Although the Initial Valuation covers all eight hotels, the Portfolio which secures the Senior Loans and the Notes is comprised of the two hotels located in London and the hotel located in the Netherlands, as listed below:

- DoubleTree by Hilton Tower of London, London;
- DoubleTree by Hilton Amsterdam, the Netherlands; and
- DoubleTree by Hilton Westminster, London.

CBRE Limited does not have any material interest in the Issuer or the Senior PledgeCo or its Subsidiaries (the **Senior Group**).

CBRE Limited (i) has given and has not withdrawn its written consent to the inclusion in this Prospectus of its Initial Valuation (as incorporated by reference into this Prospectus), and to references to its Initial Valuation in the form and context in which they appear, and (ii) has authorised and accepts responsibility for the Initial Valuation.

Prospective investors should be aware that the Initial Valuation was prepared prior to the date of this Prospectus. CBRE Limited 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 listing of the Notes. Accordingly, the information included in the Initial Valuation may not reflect the current physical, economic, competitive, market or other conditions with respect to the Properties. In addition, the Initial Valuation contains information on certain properties located in the United Kingdom that are not included in the Portfolio. None of the Senior Borrowers, any member of the Senior Group, J.P. Morgan Securities plc, as Arranger or Lead Manager, the Loan Seller, the Retention Holder, the Note Trustee, the Issuer Security Trustee, the Corporate Services Provider or the Agents are responsible for the information contained in the Initial Valuation.

The information contained in the Initial Valuation with respect to the Properties must be considered together with all of the information contained elsewhere in this Prospectus 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 Initial Valuation is subject to the same limitations, qualifications and restrictions contained in the other portions of the Prospectus. Prospective investors are strongly urged to read this Prospectus in its entirety prior to accessing the Initial Valuation.

The Initial Valuation may not be reproduced or used in connection with any other purpose and without the prior written consent of CBRE Limited.

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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 Prospectus.

An index of defined terms is included at page 442 of this Prospectus.

Issuance of the Notes and the Class X Certificates and use of proceeds

On the Closing Date, the Issuer will issue the Notes and the Class X Certificates, subject to the satisfaction of the conditions precedent set out in the Subscription Agreement.

The Issuer will apply the proceeds of the issue of the GBP Notes to acquire a 95 per cent. share, by principal balance, of the Senior GBP Loan (the **Securitised GBP Loan**) and will apply the proceeds of the issue of the EUR Notes to acquire a 95 per cent. share, by principal balance, of the Senior EUR Loan (the **Securitised EUR Loan** and, together with the Securitised GBP Loan, the **Securitised Loans**). The Securitised Loans will be acquired by the Issuer from JPMorgan Chase Bank, N.A., London Branch (the **Loan Seller**) pursuant to the Loan Sale Documents. The remaining 5 per cent. share, by principal balance, of the Senior GBP Loan and the Senior EUR Loan (together, the **Retained Tranche**) will be retained by JPMorgan Chase Bank, N.A., London Branch, as the original lender (the **Original Lender** and, as holder of the Retained Tranche, the **Retention Holder**).

Pursuant to the Loan Sale Documents, the Issuer will pay to the Loan Seller, as initial consideration for the Securitised GBP Loan, the amount of £251,084,000 and, as initial consideration for the Securitised EUR Loan, the amount of €130,965,000. In addition, the Issuer will issue to the Loan Seller (a) the GBP-X Certificates, in partial consideration for the sale by the Loan Seller of the Securitised GBP Loan and (b) the EUR-X Certificates, in partial consideration for the sale by the Loan Seller of the Securitised EUR Loan.

The Issuer will use receipts of principal and interest due to it under the Securitised GBP Loan to make payments of, among other things, principal and interest due in respect of the GBP Notes and the distributions in respect of the GBP-X Certificates.

The Issuer will use receipts of principal and interest due to it under the Securitised EUR Loan to make payments of, among other things, principal and interest due in respect of the EUR Notes and the distributions in respect of the EUR-X Certificates.

Description of the Securitised Loans

On the Utilisation Date, the Senior GBP Loan (the **Senior GBP Loan**) and the Senior EUR Loan (**Senior EUR Loan**) were advanced under the Senior Facility Agreement by the Original Lender to Carolia Hospitality Limited (formerly City Inn Limited) (the **Original UK Borrower**) and Carolia Amsterdam Hotel B.V. (the **Dutch Obligor** and, together, the **Original Borrowers**) and were secured over a portfolio of eight hotels which included the UK Property and the Dutch Property. The Original Borrowers used the proceeds of the Senior GBP Loan and the Senior EUR Loan (together, the **Senior Loans**) to refinance existing indebtedness and to pay related refinancing costs related to, with respect to the Senior GBP Loan, seven hotels located in the UK (including the two UK Properties) and, with respect to the Senior EUR Loan, the Dutch Property.

On 16 February 2015, the DoubleTree by Hilton Tower of London (the **Tower of London Property**) and the DoubleTree by Hilton Westminster (the **Westminster Property**) were each transferred by Carolia Hospitality Limited (formerly City Inn Limited) to Carolia Tower Hotel Limited and Carolia Westminster Hotel Limited, respectively, each of which became additional Senior Borrowers (the **Additional Senior Borrowers** and together with the Dutch Obligor, the **Senior Borrowers**) under

the Senior Facility Agreement. At the time of such transfer, each commitment and the *pro rata* (according to the Initial Valuation) portion of the Senior GBP Loan which relates to Tower of London Property was novated to Carolia Tower Hotel London Limited and the portion of the GBP Loan which relates to the Westminster Property was novated to Carolia Westminster Hotel Limited. The Original UK Borrower maintained ownership of the remaining five properties located in the UK. On 18 May 2015, the Original UK Borrower sold its five remaining UK properties and used the proceeds of the sale to repay the relevant portion of the Senior GBP Loan in an amount equal to the relevant Senior Release Price for each property.

The Securitised Loans are comprised of the Securitised GBP Loan (in an amount as of the Closing Date of £251,084,000), which consists of a 95 per cent. interest, by principal balance, in the Senior GBP Loan, and the Securitised EUR Loan (in an amount as of the Closing Date of €130,965,000), which consists of a 95 per cent. interest, by principal balance, in the Senior EUR Loan.

Pursuant to the Senior Facility Agreement, each Senior Guarantor jointly and severally, among other things, guarantees to the Senior Facility Agent, each Senior Lender, J.P. Morgan Limited (the **Mandated Lead Arranger**) and the Common Security Agent (each, a **Senior Finance Party**) punctual performance by each other Senior Obligor of all of its obligations under the Senior Finance Documents. In addition, although the Senior Facility Agreement contains certain provisions intended to segregate the cashflows under the Senior GBP Loan from the cashflows under the Senior EUR Loan, many of the provisions of the Senior Loan Facility Agreement, such as covenants, are structured such that the lenders of the Senior GBP Loan and the Senior EUR Loan (including, in both cases, the Issuer) benefit from such covenants on a joint basis.

The following is a summary of certain features of each of the Senior Loans, including the portion of the Senior Loans comprising the Securitised Loans. Investors should refer to, and carefully consider, the further details in respect of each of the Securitised Loans and the Senior Loans set out in the section entitled “*Description of the Facility Agreements—The Senior Facility Agreement*”.

SENIOR GBP LOAN	
Aggregate outstanding principal balance as at the Utilisation Date:	£339,973,000
Aggregate outstanding principal balance as at the Closing Date:	£264,299,285
Securitised GBP Loan portion:	£251,084,000
Senior GBP Loan Prepayment Fee:	<p>Prior to 17 December 2015, a prepayment fee in an amount equal to the higher of:</p> <p>(a) 100 per cent. of the amount of the interest (excluding Loan LIBOR) which would, had no prepayment taken place, have accrued on the amount of the Senior GBP Loan so prepaid from the date of such prepayment until 17 December 2015, the date falling 12 months after the Utilisation Date; and</p> <p>(b) 1.00 per cent. of the principal amount repaid,</p> <p>will be due in connection with a prepayment of the Senior GBP Loan in certain circumstances.</p> <p>See the section entitled “<i>Fees and Senior Loan Prepayment Fees</i>” in the section entitled “<i>Description of the Facility Agreements—The Senior Facility Agreement</i>” for further details.</p>
Senior GBP Loan Margin:	2.29 per cent. per annum (the Senior GBP Loan Margin)

Interest rate:	three-month Loan LIBOR plus the Senior GBP Loan Margin
Senior GBP Loan Quotation Days:	22 February, 22 May, 22 August and 22 November (each a Senior GBP Loan Quotation Day) in each year other than the Senior GBP Loan Quotation Day with respect to the Senior Loan Interest Payment Date in May 2015 (which was 15 May 2015); provided that if a Senior Borrower makes a repayment of principal on the Senior GBP Loan between the day after the Senior Loan Interest Payment Date and the Senior GBP Loan Quotation Day, Loan LIBOR for that repayment will be calculated as of that Senior Loan Interest Payment Date. If, however, any such day is not a Business Day, the Senior GBP Loan Quotation Day will instead be the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
Original UK Borrower:	Carolia Hospitality Limited (formerly City Inn Limited)
Senior Borrowers:	Carolia Tower Hotel Limited and Carolia Westminster Hotel Limited

SENIOR EUR LOAN	
Aggregate outstanding principal balance as at the Utilisation Date:	€139,240,000
Aggregate outstanding principal balance as at the Closing Date:	€137,858,937
Securitised EUR Loan portion:	€130,965,000
Senior EUR Loan Prepayment Fee:	<p>Prior to 17 December 2015, a prepayment fee in an amount equal to the higher of:</p> <ul style="list-style-type: none"> (a) 100 per cent. of the amount of the interest (excluding Loan EURIBOR) which would, had no prepayment taken place, have accrued on the amount of the Senior EUR Loan so prepaid from the date of such prepayment until 17 December 2015, the date falling 12 months after the Utilisation Date; and (b) 1.00 per cent. of the principal amount repaid, <p>will be due in connection with a prepayment of the Senior EUR Loan in certain circumstances.</p> <p>See the section entitled “<i>Fees and Senior Loan Prepayment Fees</i>” in the section entitled “<i>Description of the Facility Agreements—The Senior Facility Agreement</i>” for further details.</p>
Senior EUR Loan Margin:	2.29 per cent. per annum (the Senior EUR Loan Margin)
Interest rate:	three-month Loan EURIBOR plus the Senior EUR Loan Margin
Senior EUR Loan Quotation Days:	Two Target Days prior to each of 22 February, 22 May, 22 August and 22 November (each a Senior EUR Loan Quotation Day) and together with a Senior GBP Loan Quotation Day, the Quotation Day in each year other than the Senior GBP Loan Quotation Day with respect to the Senior Loan Interest Payment Date in May 2015 (which was two TARGET Days prior to 15 May 2015); provided that if a Senior Borrower makes a repayment of principal on the relevant Senior EUR Loan between the day after a Senior Loan Interest Payment Date and the Senior EUR Loan Quotation Day, Loan EURIBOR for that repayment will be calculated as of the date that is two TARGET Days

	prior to that Senior Loan Interest Payment Date. If, however, any such day is not a Business Day, the Senior EUR Loan Quotation Day will instead be the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
Senior Borrower:	Carolia Amsterdam Hotel B.V.

COMMON FEATURES OF THE SENIOR GBP LOAN AND THE SENIOR EUR LOAN	
Utilisation Date:	17 December 2014
Senior Loan Interest Payment Dates:	15 February, 15 May, 15 August and 15 November (each a Senior Loan Interest Payment Date) in each year, with the first Senior Loan Interest Payment Date being 15 May 2015. If, however, any such day is not a Business Day, the Senior Loan 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).
Final Senior Loan Repayment Date:	<p>15 February 2018 (the Initial Senior Loan Repayment Date) or, if the first extension option is exercised, the Initial Senior Loan Repayment Date will be extended to 15 February 2019 (the First Extended Senior Loan Maturity Date) or if the second extension option is exercised, the First Extended Senior Loan Maturity Date will be extended to 15 February 2020 (the Second Extended Senior Loan Maturity Date) (in each case, the Final Senior Loan Repayment Date).</p> <p>Senior PledgeCo may exercise the option twice to the extend the Final Senior Loan Repayment Date by one year by delivering to the Senior Facility Agent an irrevocable notice not less than 30 days and not more than 90 days prior to the then Final Senior Loan Repayment Date. Such extension will take effect subject to certain conditions being satisfied including (i) no Senior Loan Event of Default or Potential Senior Loan Event of Default continuing or resulting from the extension, (ii) hedging arrangements being in place for the further period of one year for an aggregate notional amount of not less than the outstanding principal amount of the Senior Loans and with a strike rate which is not more than 3 per cent. per annum and (iii) the extension of the Final Mezzanine Loan Repayment Date to a date not earlier than the First Extended Senior Loan Maturity Date or the Second Extended Senior Loan Maturity Date (as applicable).</p>
Prepayment:	Mandatory in certain circumstances, including, among others, illegality, change of control of certain members of the Senior 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 “ <i>Description of the Facility Agreements—The Senior Facility Agreement</i> ” for further details.
Governing law:	English law
Senior Loan Security:	The obligations of the Senior Borrowers and the Senior Guarantors (the Senior Obligors) under the Senior Finance Documents are secured by the Common Security Documents.
Original Lender:	JPMorgan Chase Bank, N.A., London Branch
Senior Guarantors:	Carolia Amsterdam Hotel B.V., Carolia Tower Hotel Limited, Carolia Westminster Hotel Limited, Carolia Hospitality Limited (formerly City Inn Limited), Carolia Pledgeco Limited, Carolia Holdco Limited, Carolia Bidco Limited and Carolia Bidco II Limited

Financial Covenants:	On each: (a) LTV Ratio Test Date, each Senior Obligor shall ensure that the Senior LTV Ratio is not greater than 75 per cent.; and (b) ICR Test Date, each Senior Obligor shall ensure that the Senior ICR is not less than 1.25:1.
Test Dates for Financial Covenants:	(a) LTV Ratio Test Date means each Senior Loan Interest Payment Date falling after the first Valuation Date; and (b) ICR Test Date means each Senior Loan Interest Payment Date.
Cash Trap Event:	A Cash Trap Event occurs if: (a) on any LTV Ratio Test Date, (1) the Senior LTV Ratio is greater than 70 per cent.; and/or (2) the Senior/Mezzanine LTV Ratio is greater than 80 per cent.; and/or (b) on any ICR Test Date, (1) the Senior ICR is less than 1.50:1; and/or (2) the Senior/Mezzanine ICR is less than 1.30:1.

See the section entitled “*Description of the Facility Agreements—The Senior Facility Agreement*” for further information regarding the loan features referred to in the table above.

Senior Loan Security

The obligations of the Senior Obligor under the Senior Finance Documents will be secured by the following security interests created under the English Common Security Agreement and the Dutch Security Agreements (together, the **Transaction Security Documents**) (the **Senior Loan Security**):

(a) *English law common security*

Under the English Common Security Agreement, each Senior Obligor granted the following security (to the exclusion of any present and future assets pledged under any Dutch Security Agreements (as defined below) in favour of CBRE Loan Servicing Limited, as common security agent (the **Common Security Agent**) who holds such security on trust for each of the Common Security Agent, any receiver or delegate of the Common Security Agent and each of the Senior Finance Parties and the Mezzanine Finance Parties (the **Common Secured Parties**):

- (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 in England and Wales as at the date of the English Common Security Agreement or subsequently owned by it;
- (ii) a first fixed charge over its interests in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf;
- (iii) a first fixed charge over all of its rights in respect of any amount standing to the credit of any account which is held by the Senior Obligor located in England and Wales and the debt represented by it;
- (iv) a first fixed charge over all of its book and other debts, all other monies due and owing to it and the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
- (v) a first fixed charge over all of its rights under any collateral warranty and any construction contract which contains a collateral warranty;

- (vi) an absolute assignment, subject to a proviso for re-assignment on redemption, of all of its rights under any contract of insurance taken out by it or on its behalf or in which it has an interest and in each case which is governed by English law and all monies payable and all monies paid to it under or in respect of all such contracts of insurance;
 - (vii) an absolute assignment, subject to a proviso for re-assignment on redemption, of all its rights under any Hedge Document;
 - (viii) an absolute assignment, subject to a proviso for re-assignment on redemption, of all its rights under any Subordinated Loan, each Hotel Management Agreement, each lease, each asset management agreement to which a Senior Obligor is a party and any other agreement governed by English law to which a Senior Obligor is a party to the extent an assignment is permitted in accordance with the terms of the relevant contract and except to the extent that it is subject to any fixed security created under any other term of this provision;
 - (ix) a first fixed charge over any beneficial interest, claim or entitlement it has in any pension funds, its goodwill, the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Security Asset, the right to recover and receive compensation which may be payable to it in respect of any such authorisation and its uncalled capital; and
 - (x) 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 English Common Security Agreement, except for any assets which are the subject of any security interest created by, or under or pursuant to any other Common Security Document.
- (b) *Dutch law common security*
- (i) The Dutch Obligor has granted a pledge, in favour of the Common Security Agent, over all monies and claims held, deposited in or standing to the credit of any Control Accounts located in the Netherlands.
 - (ii) The Dutch Obligor has granted a pledge, in favour of the Common Security Agent, over the receivables owed to the Dutch Obligor.
 - (iii) The Dutch Obligor has granted, in favour of the Common Security Agent, a mortgage security over the Dutch Property.
 - (iv) Carolia Holdco Limited has granted, in favour of the Common Security Agent, a pledge over the shares it owns in the Dutch Obligor.

The Common Security Agent holds all such security interests on trust for the benefit of the Issuer (as to the Securitised Loans) and the Retention Holder (as to the Retained Tranche). **Security Assets** means all assets of each chargor the subject of any security created by or pursuant to either the English Common Security Agreement or the Dutch Security Agreements (as applicable).

See “*The key characteristics of the Loan Security*” for further information.

Cashflow under the Senior Loans

The Senior Borrowers own the Properties, all of which are operated as hotels. Pursuant to the Hotel Management Agreements, each Property is managed by either Hilton UK Manage Limited or Hilton Worldwide Manage Limited as the Hotel Managers, as to which see “*Description of the Hotel Managers and the Hotel Management Agreements*” for further information.

The Hotel Managers on behalf of the Senior Borrowers obtain the operating income from the operation of the Properties as hotels and such operating income is applied pursuant to the terms of the Senior Facility Agreement.

Following the acquisition of the Securitised Loans by the Issuer, on each Senior Loan Interest Payment Date, the Senior Facility Agent will, as agent for the Issuer, transfer (to the extent funds are available for such purpose) all amounts then due to the Issuer as lender of the Securitised GBP Loan under the Senior Facility Agreement from the relevant Control Account directly or indirectly, as the case may be, to the Issuer GBP Transaction Account and all amounts then due to the Issuer as lender of the Securitised EUR Loan under the Senior Facility Agreement from the relevant Control Account directly or indirectly, as the case may be, to the Issuer EUR Transaction Account.

Appendix 1 (Properties) lists all of the Properties that secured the Senior Loans on the date of origination (and continue to secure the Senior Loans as of the date of this Prospectus) and to which the Initial Valuation relates.

Payments of principal under the Securitised Loans

Repayments of principal under the Securitised GBP Loan received by the Issuer will be allocated towards the redemption of the GBP Notes and repayments of principal under the Securitised EUR Loan received by the Issuer will be allocated toward the redemption of the EUR Notes, and in each case will be applied in accordance with the relevant Issuer Priorities of Payments (see the section entitled “*Cashflows and Issuer Priorities of Payments*” for further details).

Hedging

Each Senior Borrower and Carolia Hospitality Limited (formerly City Inn Limited) have entered into an interest rate cap transaction with the Initial Cap Provider in relation to the Senior Loans pursuant to the terms of the relevant Initial Senior Interest Rate Cap Confirmation. The aggregate notional amount of these hedging arrangements is at least equal to 100 per cent. of the Senior Loans and these hedging arrangements have been effected through fully paid interest rate caps (see the section entitled “*Description of the Cap Arrangements*” for further details).

The Mezzanine Facility Agreement

On the date of the Senior Facility Agreement, the Mezzanine Borrower and Carolia Midco Limited, as the mezzanine loan seller, entered into the **Mezzanine Facility Agreement**. The principal terms (other than obligors, facility amounts, margin and fees) of the Mezzanine Facility Agreement are substantially the same as the principal terms of the Senior Facility Agreement. To the extent that the principal terms of the Mezzanine Facility Agreement differ from the principal terms of the Senior Facility Agreement, those terms are summarised below under “*Description of the Facility Agreements—The Mezzanine Facility Agreement*”. The initial amount of borrowing under the Mezzanine Facility Agreement was: (i) £75,549,000 under the Mezzanine GBP Loan and (ii) €30,942,000 under the Mezzanine EUR Loan.

Key Terms of Mezzanine Facility Agreement	
Utilisation Date:	17 December 2014
Mezzanine Borrower:	Carolia New Mezzco Limited
Mezzanine Obligors:	Carolia Midco Limited (the Mezzanine Holdco) and the Mezzanine Borrower

Mezzanine Finance Parties:	Mezzanine Facility Agent, any Mezzanine Lender, the Mandated Lead Arranger, the Common Security Agent and the Mezzanine Security Agent
Aggregate outstanding principal balance of the Mezzanine Loan as at the Utilisation Date:	In respect of the GBP portion of the Mezzanine Loan (the Mezzanine GBP Loan), £75,549,000 and, in respect of the EUR portion of the Mezzanine Loan (the Mezzanine EUR Loan and together, the Mezzanine Loan), €30,942,000. The Mezzanine Loan was, at the Utilisation Date, fully drawn.
Aggregate outstanding principal balance of the Mezzanine Loan as at the date of this Prospectus:	In respect of the Mezzanine GBP Loan, £58,695,816 and, in respect of the Mezzanine EUR Loan, €30,685,896.
Mezzanine Loan Interest Payment Dates:	19 February, 19 May, 19 August and 19 November (the Mezzanine Loan Interest Payment Dates) in each year, with the first Mezzanine Loan Interest Payment Date being 19 May 2015. If, however, any such day is not a Business Day, the Mezzanine Loan 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).
Final Mezzanine Loan Repayment Date	<p>19 February 2018 (the Initial Mezzanine Loan Repayment Date) or, if the first extension option is exercised, the Final Mezzanine Loan Repayment Date will be extended to 19 February 2019 (the First Extended Mezzanine Loan Maturity Date) or if the second extension option is exercised, the Final Mezzanine Loan Repayment Date will be extended to 19 February 2020 (the Second Extended Mezzanine Loan Maturity Date) (in each case, the Final Mezzanine Loan Repayment Date).</p> <p>Mezzanine Holdco may exercise the option twice to the extend the Final Mezzanine Loan Repayment Date by one year by delivering to CBRE Loan Servicing Limited (the Mezzanine Facility Agent) an irrevocable notice not less than 30 days and not more than 90 days prior to the then Final Mezzanine Loan Repayment Date. Such extension will take effect subject to certain conditions being satisfied including (i) no Mezzanine Loan Event of Default or potential Mezzanine Loan Event of Default continuing or resulting from the extension, (ii) hedging arrangements being in place for the further period of one year for an aggregate notional amount of not less than the outstanding principal amount of the Mezzanine Loans and with a strike rate which is not more than 3 per cent. per annum and (iii) the extension of the Final Senior Loan Repayment Date to a date not earlier than the First Extended Mezzanine Loan Maturity Date or the Second Extended Mezzanine Loan Maturity Date (as applicable).</p>
Mezzanine Loan Margin:	In respect of the Mezzanine GBP Loan, 6.195 per cent. per annum (the GBP Mezzanine Loan Margin) and in respect of the Mezzanine EUR Loan, 6.195 per cent. per annum (the EUR Mezzanine Loan Margin).
Interest rate:	<p>In respect of the Mezzanine GBP Loan, three-month Loan LIBOR plus the GBP Mezzanine Loan Margin.</p> <p>In respect of the Mezzanine EUR Loan, three-month Loan EURIBOR plus the EUR Mezzanine Loan Margin.</p>

Prepayments:	<p>Mezzanine Permitted Property Disposal Prepayment Proceeds as well as Expropriation Proceeds, Insurance Proceeds and Recovery Proceeds, in an amount equal to the amount not required to be paid to the Senior Prepayment Account under the Senior Facility Agreement.</p> <p>If the Senior Borrowers make a voluntary repayment of the Senior Loans pursuant to the Senior Facility Agreement (other than in the exercise of a right to prepay an individual lender), the Mezzanine Borrower shall make a prepayment of the Mezzanine Loans in an amount equal to the same proportion of the principal amount of the Mezzanine Loans as the proportion of the Senior Loans then prepaid.</p>
Financial covenants:	<p>On each:</p> <p>(a) LTV Ratio Test Date, that the Senior/Mezzanine LTV Ratio does not exceed 87.5 per cent.; and</p> <p>(b) ICR Test Date, that the Senior/Mezzanine ICR is not less than 1.00:1.</p>
Mezzanine Security:	The obligations of the Mezzanine Obligors under the Mezzanine Finance Documents are secured by the Mezzanine Transaction Security Documents and the Common Security Documents.
Governing law:	English law.

Mezzanine Loan Security

Each Mezzanine Obligor has granted, in favour of CBRE Loan Servicing Limited, as the **Mezzanine Security Agent**, (who holds such security on trust for the Mezzanine Finance Parties), 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 Loan Security*” for further details).

Mezzanine Loan Repackaging

On 22 December 2014, the Original Mezzanine Lender entered into a transaction whereby it assigned its rights as Mezzanine Lender under the Mezzanine Loans to the Mint Mezzanine Issuer. The Mint Mezzanine Issuer financed the purchase of the Mezzanine Loans through the issue of notes which were subscribed for by certain funds managed by Cheyne Capital Management (UK) LLP, certain funds managed by Insight Investment Management (Global) Limited and the following funds: (i) OZ European Credit Opportunities Master Fund, Ltd., (ii) OZ GC Opportunities Master Fund, Ltd., (iii) OZ MESC Master Fund, L.P., (iv) NJGC Holdings, L.P., (v) OZ Credit Opportunities Master Fund, Ltd., (vi) OZEA Holdings, L.P., (vii) OZEK Holdings, L.P., (viii) OZ Enhanced Master Fund, Ltd. and (ix) OZ Master Fund, Ltd.

The Intercreditor Agreement

On the date of the Senior Facility Agreement and the Mezzanine Facility Agreement, each of the parties thereto entered into the Intercreditor Agreement, which regulates the respective rights of the Senior Finance Parties, including the Issuer, and the Mezzanine Finance Parties. As a general principle, the rights of the Senior Finance Parties to be paid the Senior Facility Liabilities (other than Excess Senior Debt) rank above the rights of the Mezzanine Finance Parties to be paid the liabilities owed by the Mezzanine Obligors to the Mezzanine Creditors under or in connection with the Mezzanine Finance Documents (the **Mezzanine Facility Liabilities**) (and Excess Senior Debt ranks below Mezzanine Facility Liabilities). Prior to the Senior Discharge Date, the Mezzanine Obligors and the Debtors have agreed pursuant to the Intercreditor Agreement that they shall not, and shall

procure that no other member of the Larger Group will, make any payment of the Mezzanine Facility Liabilities unless such payment is permitted to be made or received pursuant to the Intercreditor Agreement. For a description of the circumstance in which amounts may be paid in respect of the Mezzanine Facility Liabilities, see “*Description of the Facility Agreements—The Mezzanine Facility Agreement*”.

The Senior Lenders may from time to time effect an increase in the principal amount of the facility under the Senior Facility Agreement (each, a **Senior Principal Increase**) in an amount which does not exceed the Senior Headroom at that time (any such excess being **Excess Senior Debt**). The amount of such Senior Principal Increase (together with interest, fees and commission on that amount) shall be treated as being part of all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by a Senior Obligor or by some other person) of each Senior Obligor to the Senior Finance Parties (or any of them) under each of the Senior Finance Documents (the **Senior Lender Liabilities**) provided that any such Senior Principal Increase shall not bear interest or accrue fees or commission in excess of the interest, fees or commission in relation to the Senior Facility Liabilities as set out in the original form Senior Facility Agreement subject to any amendments permitted under the Intercreditor Agreement, and any such Senior Principal Increase shall be permitted to be used only for the purpose of making Property Protection Loans.

The Intercreditor Agreement contains certain restrictions on the rights of the Senior Finance Parties, including:

- (a) *Amendments and waivers.* Except with the prior consent of the Mezzanine Facility Agent (acting on the instructions of a majority of 66 $\frac{2}{3}$ per cent. of the Mezzanine Lenders (the **Majority Mezzanine Lenders**)), the Senior Finance Parties are not permitted to amend, consent to or waive certain specific terms of the Senior Finance Documents.
- (b) *Cure Payments.* If:
 - (i) a Senior Loan Event of Default relating to a non-payment has occurred (a **Senior Payment Default**);
 - (ii) a Senior Loan Event of Default as a result of a breach of the Senior LTV Ratio Covenant has occurred which a Senior Obligor has not elected to cure (as described under “*Description of the Facility Agreements—The Senior Facility Agreement—Undertakings—Financial Covenants*”); or
 - (iii) a Senior Loan Event of Default as a result of a breach of the Senior ICR Covenant has occurred which a Senior Obligor has not elected to cure (as described under “*Description of the Facility Agreements—The Senior Facility Agreement—Undertakings—Financial Covenants*”),

(paragraphs (ii) and (iii) each being a **Senior Financial Covenant Default**, with a **Curable Default** in this context being any Senior Payment Default or Senior Financial Covenant Default), the Mezzanine Facility Agent may within the Election Period with respect to such Curable Default notify the Senior Borrowers and the Senior Facility Agent (a **Mezzanine Cure Notification**) that the Mezzanine Lenders (or any one of them) wishes to make a Cure Payment with respect to that Curable Default. If a Mezzanine Cure Notification is given then the relevant Mezzanine Lenders must procure that within the Grace Period for the relevant Curable Default the payment required to cure the Curable Default is made as further set out in the Intercreditor Agreement. The payment of any Equity Cure Amount by the Mezzanine Lenders into the relevant Equity Cure Account may:

- (i) only be made a maximum of four times in total; and
- (ii) not be made in more than two successive Senior Loan Interest Periods,

provided that, in the case of paragraph (i) below the Mezzanine Lenders will retain the right to make one Cure Payment, in circumstances where the effect of paragraph (i) below would otherwise be to leave the Mezzanine Lenders with no right to cure and the Mezzanine Lenders have not previously made a Cure Payment.

The payment of any such Equity Cure Amount by the Senior Obligors will reduce the number of occasions on which the Mezzanine Lenders may make a payment of an Equity Cure Amount and vice versa.

Any Equity Cure Amount deposited in the Equity Cure Accounts shall be allocated between Senior PledgeCo's Equity Cure Account and the Dutch Obligor's Equity Cure Account in the proportions necessary (and paid in the appropriate currencies) to achieve, as far as possible, Equivalent LTVs.

- (c) *Enforcement of Common Transaction Security.* Subject to the restrictions summarised below in “—*Restriction on Senior Finance Party Enforcement Action*”, the Instructing Group (acting through the relevant facility agent) may, pursuant to the Intercreditor Agreement, give the Common Security Agent instructions as it sees fit with respect to enforcement of any Security created or expressed to be created pursuant to any Common Security Document (the **Common Transaction Security**) upon the Common Transaction Security becoming enforceable. The Common Security Agent may refrain from enforcing the Common Transaction Security until it receives such instructions. The Common Security Agent shall enforce the Common Transaction Security as the Instructing Group shall instruct.
- (d) *Restriction on Senior Finance Party Enforcement Action.* No Senior Finance Party may take any enforcement action against any Debtor in relation to any of the Senior Facility Liabilities or instruct the Common Security Agent to enforce the Common Transaction Security as a result of a Senior Loan Event of Default if that Senior Loan Event of Default is a Curable Default, until the expiry of the applicable Grace Period, and if, within the Grace Period, the Mezzanine Lenders have made the necessary Cure Payment to remedy that Senior Loan Event of Default. The Mezzanine Lenders shall also have certain cure rights in connection with the non-exercise by Senior PledgeCo of its rights to submit the applicable extension option notice, prior to the end of the First Extension Option Period or Second Extension Option Period (as applicable).
- (e) *Senior Purchase Option.* The Intercreditor Agreement provides that any Purchasing Party may elect to purchase all of the Senior Lender Liabilities by serving an irrevocable notice on the Senior Facility Agent no later than 15 Business Days after the Mezzanine Facility Agent has received a notice of the relevant Purchase Event. The Senior Purchase Notice must nominate a date (the **Senior Purchase Completion Date**) falling not more than 15 Business Days after the date of the Senior Purchase Notice on which the Mezzanine Lenders shall pay the Senior Purchase Amount and acquire all Senior Lender Liabilities. Following issuance of a Senior Purchase Notice, the Senior Finance Parties may not commence any enforcement action pursuant to the Intercreditor Agreement unless the relevant Mezzanine Lenders fail to pay the Senior Purchase Amount in full on the Senior Purchase Completion Date.

Senior Purchase Amount means, at the time of calculation, the aggregate of:

- (i) the principal amount of the Senior Loans then outstanding;
- (ii) accrued unpaid interest on the Senior Loans which would be due from the Debtors under the Senior Facility Agreement in accordance with the Senior Facility Agreement if the Senior Loans were prepaid in full on the Senior Purchase Completion Date but excluding any yield maintenance or make whole premiums, prepayment fees or premiums, penalty or late payment charges, exit fees, work out or

liquidation fees or default interest in excess of the rate of interest which would have been payable by the Senior Borrowers in the absence of the payment default;

- (iii) any Break Costs; and
 - (iv) any properly incurred fees, costs and expenses incurred by the Senior Finance Parties in connection with the transfer of Senior Lender Liabilities to the Mezzanine Lenders pursuant to the Mezzanine Lenders' purchase option in the Intercreditor Agreement.
- (f) *Purchase of the Mezzanine Borrower Liabilities.* Prior to the Final Discharge Date, the Mezzanine Borrower shall not, and Senior PledgeCo shall procure that no member of the Senior Group will enter into an acquisition of any Mezzanine Borrower Liabilities, or beneficially own all or any part of the share capital of a company that is party to an acquisition of Mezzanine Borrower Liabilities, unless permitted or contemplated under the Intercreditor Agreement; or (A) prior to the Senior Discharge Date, the prior consent of the Majority Senior Lenders is obtained; or (B) on or after the Senior Discharge Date but prior to the Mezzanine Discharge Date, the prior consent of the Majority Mezzanine Lenders is obtained; or (C) on or after the Mezzanine Discharge Date the prior consent of the Majority Senior Lenders is obtained.

Servicing of the Securitised Loans

The Issuer and the Issuer Security Trustee will appoint the Servicer to service and administer the Securitised Loans and the related Senior Loan Security and the Retention Holder will appoint the Servicer to service and administer the Retained Tranche and the Senior Loan Security, in each case until the occurrence of a Special Servicing Transfer Event. Following the occurrence (if any) of a Special Servicing Transfer Event, the Issuer and the Issuer Security Trustee will appoint the Special Servicer as special servicer of the Securitised Loans and the Retention Holder will appoint the Special Servicer as special servicer of the Retained Tranche. 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 Loans or the Retention Holder with respect to the Retained Tranche in accordance with the Servicing Standard and subject to the provisions relating to the appointment of a GBP Operating Advisor and/or a EUR Operating Advisor. The Servicer will also be required to prepare and provide the Servicer Quarterly Report containing information with respect to the Securitised Loans and the Retained Tranche, and make the same available to the Cash Manager, which will make the same publicly available at www.usbank.com/abs (under the "Investor Reporting" tab).

Each of the Servicer and the Special Servicer may subcontract or delegate the performance of all or any of its obligations under the Servicing Agreement to a third party so long as, among other things, the Servicer or the Special Servicer, as applicable, has used reasonable skill and care in the selection of such third party and enters into arrangements with such third party which meet the conditions set out in 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 any 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 for the performance of its obligations under the Servicing Agreement. See "*Key terms of the servicing arrangements for the Securitised Loans and the Retained Tranche*" for further information.

The appointment of the Servicer or Special Servicer may be terminated by the occurrence of termination events including:

- (a) a failure by the Servicer (as Servicer, Senior Facility Agent or Common Security Agent) or the Special 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, with respect to the Servicer, the Senior Facility Agent and the Common Security Agent only, the Senior Finance Documents by 11:00 am (London time) on the Business Day following the date on which the same were required to be remitted;
- (b) a failure by the Servicer or Special Servicer to observe or perform in any material respect any of its other obligations under the Servicing Agreement or a material breach of any representation or warranty given by it under the Servicing Agreement in any material respect; and
- (c) the occurrence of certain insolvency events in relation to the Servicer or Special Servicer.

The appointment of the Servicer and/or the Special Servicer can be terminated without cause by:

- (a) the Issuer Security Trustee (upon direction from each Class of Noteholders having passed a separate Extraordinary Resolution to that effect) (see “*The key provisions of the Notes, the Class X Certificates and the Issuer Transaction Documents—Rights of Noteholders and relationship with other Issuer Secured Creditors*” for further information); or
- (b) with respect to the Special Servicer and a Specially Serviced Loan only, (1) the Issuer Security Trustee (acting upon a direction from the GBP Controlling Class and the EUR Controlling Class (each a **Controlling Class**), acting jointly, pursuant to Condition 17 (Controlling Class); or (2) each Operating Advisor, acting jointly.

In addition, the Servicer and/or Special Servicer may resign from its appointment by giving at least three months’ written notice to the Issuer, the Retention Holder and the Issuer Security Trustee.

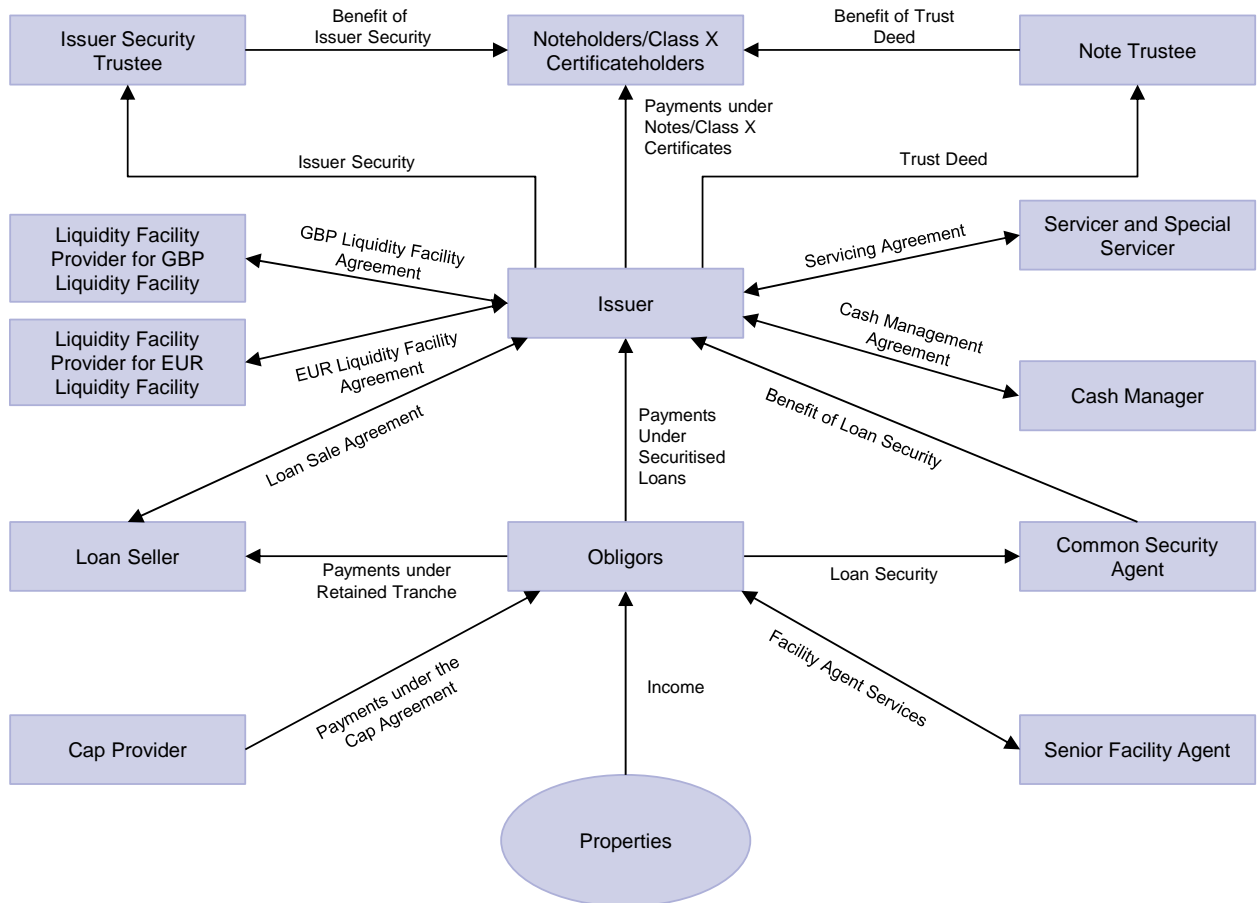
See the section entitled “*Key terms of the servicing arrangements for the Securitised Loans and the Retained Tranche*” for further information.

Issuer security

As security for its obligations under, among other things, the Notes and the Class X Certificates, 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 Loans and the associated Senior 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 Noteholders 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 section entitled “*Cashflows and Issuer Priorities of Payments*” and the Conditions 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 Noteholders should review the detailed information set out elsewhere in this Prospectus for a description of the transaction structure and relevant cashflows prior to making any investment decision.

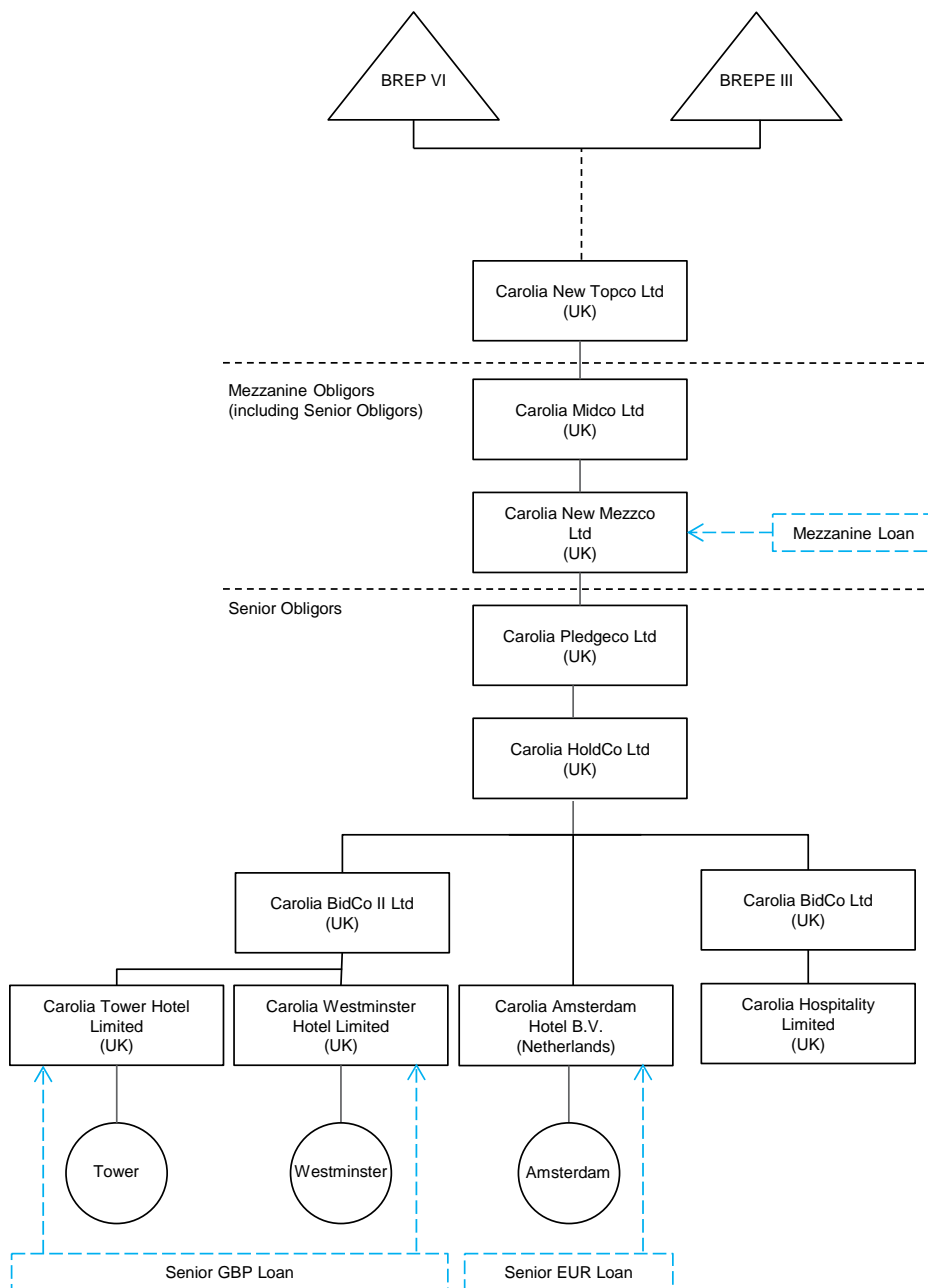


GROUP STRUCTURE DIAGRAM

Below is a diagram depicting the group corporate structure of the Senior Group at the Closing Date. Prospective investors in the Notes and the Class X Certificates should note that only the Portfolio will stand as security for the Senior Loans and, ultimately, the Notes and the Class X Certificates. See the section entitled “*Description of the Portfolio*” for further information. Only the Senior Obligors (being Senior PledgeCo and each of the Senior Borrowers and Senior Guarantors), and not any other entity, depicted on this diagram have any obligations under the Senior Loans.

None of the entities depicted on this diagram have any obligations under the Notes and the Class X Certificates.

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



RISK FACTORS

An investment in the GBP Notes, the EUR Notes or the Class X Certificates involves a high degree of risk and is not suitable for all investors. In particular, an investor should not purchase any Class of Notes or any of the Class X Certificates unless it understands and is able to bear the prepayment, credit, liquidity and market risks associated with that Class of Notes or, as applicable, the Class X Certificates. This section sets out certain aspects of the Issuer Transaction Documents, the Senior Finance Documents, the Hotel Management Agreements, the Issuer, the Senior Obligor and the Properties of which prospective Noteholders or, as applicable, Class X Certificateholders should be aware. Prospective investors should carefully consider the following risk factors and the other information contained in this Prospectus 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 any of the Senior Obligors and could lead to, among other things:

- (a) a Senior Loan Event of Default pursuant to the Senior Facility Agreement; and/or
- (b) a Note Event of Default (as defined in Condition 10 (Note Events of Default) of the Conditions); and/or
- (c) an inability of the Issuer to pay or to repay amounts due in respect of the Notes or to make any payments under the Class X Certificates.

This section of this Prospectus is not intended to be exhaustive, and prospective Noteholders or, as applicable, Class X Certificateholders should also read the detailed information set out elsewhere in this Prospectus prior to making any investment decision. The risks described below are not the only ones faced by the Senior Obligor or the Issuer. Additional risks not presently known to the Issuer or the Senior Obligor or that the Issuer or the Senior Obligor currently believe to be immaterial may also adversely affect their respective businesses. If any of the following risks occur, the Issuer, the Senior Obligor or the Properties could be materially adversely affected. Although the various risks discussed in this Prospectus are generally described separately, potential investors in the Notes or, as applicable, the Class X Certificates should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to any such investor may be significantly increased. In any of such cases, the value of the Notes and/or the Class X Certificates could decline, and the Issuer may not be able to pay all or part of the interest or principal on the Notes or make payments under the Class X Certificates and investors may lose all or part of their investment.

As a result, an investment in the Notes or, as applicable, the Class X Certificates involves substantial risks and uncertainties and should be considered only by sophisticated institutional investors with substantial investment experience with similar types of securities and who have conducted appropriate due diligence on the Securitised Loans, the Properties and the Notes or, as applicable, the Class X Certificates. Prospective Noteholders or Class X Certificateholders should take their own legal, financial, accounting, tax, regulatory and other relevant advice as to the structure and viability of an investment in the Notes or the Class X Certificates (as applicable).

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

Forward-looking statements

This Prospectus 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 section of this Prospectus. Such risks and uncertainties should not be construed as exhaustive and should be read in conjunction with the other cautionary statements in this Prospectus.

The forward-looking statements are not guarantees of future performance and the actual results of operations, financial condition and liquidity, and the markets in which the Issuer or the Senior Obligors operate may differ materially from those made in or suggested by the forward-looking statements set out in this Prospectus. In addition, even if the results of operations, financial condition and liquidity of the Issuer and the Senior Obligors, and the development of the markets in which the Issuer or the Senior Obligors operate, are consistent with the forward-looking statements set out in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Many factors could cause the Issuer's or the Senior 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 Prospectus speak only as of the date of such statements. Neither the Issuer nor the Senior Obligors intend, and undertake no obligation, to revise or update the forward-looking statements included in this Prospectus to reflect any future events or circumstances.

A. CONSIDERATIONS RELATING TO THE NOTES AND TO THE CLASS X CERTIFICATES

Risks relating to the sufficiency of the assets of the Issuer

Payments in respect of the Notes and the Class X Certificates are dependent on, and limited to, the receipt of funds under the two Securitised Loans. Since the two Securitised Loans are both fully cross-defaulted, cross-guaranteed and secured and were advanced pursuant to a single Senior Facility Agreement and therefore share many important common terms, the Securitised Loans effectively constitute a single loan from the perspective of the Issuer. Recourse under the Securitised Loans is generally limited to the Senior Borrowers and their respective assets, which as at the Closing Date consist solely of three Properties and certain other related and ancillary assets, security over which has been created to secure the Senior Loans (including the Securitised Loans). The business activities of the Senior Borrowers are limited to owning, developing and managing their respective interests in the Properties.

The ability of the Senior Borrowers to make payments on the Securitised Loans prior to the Final Senior Loan Repayment Date and, therefore, the ability of the Issuer to make payments on the Notes and the Class X Certificates on or prior to the Expected Note Maturity Date or, as applicable, the Final Note Maturity Date is dependent primarily on the sufficiency of the net operating income generated in respect of the Properties. Unless previously repaid, the Senior Loans will be required to be repaid by the relevant Senior Borrowers in full on the Final Senior Loan Repayment Date.

If, following the occurrence of a Senior 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 Loans (including instructing the Common Security Agent to take action in respect of the Senior Loan Security), the Issuer and/or the Issuer Security Trustee does not receive the full amount due from the Senior Borrowers, then it will not be possible to pay some or all of the principal and interest due on the Notes or make any payments under the Class X Certificates.

Any losses on the Securitised Loans will be allocated to the holders of the Notes, as described under “—*Subordination*” below.

Additionally, delinquencies and defaults in respect of the Senior Loans may significantly delay the receipt of or reduce the amount of payments on any Class of Notes or the Class X Certificates, unless in respect of any payments on any Class of Notes only, the credit support provided through the subordination of another Class of Notes or the Class X Certificates fully offsets the effects of any such delinquency or default.

The 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 Notes (after payment of all other claims ranking higher in priority to or *pari passu* with amounts due under the Notes), the 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 Notes and the Class X Certificates. In particular, the Notes and the Class X Certificates will not be obligations or responsibilities of, or be guaranteed by, any of the Arranger, the Lead Manager, the Issuer Related Parties, the Loan Seller, the Retention Holder, any associated body of the Arranger, the Lead Manager, the Issuer Related Parties, the Loan Seller, the Retention Holder or any of their respective affiliates or shareholders or the shareholders of the Issuer. None of any such persons, other than the Issuer, will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes or to make any distributions under the Class X Certificates.

Deferral of interest payments on the Notes

If, on any Note Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) that would otherwise be payable absent the deferral provisions in respect of any Class of Notes (other than accrued GBP Non-Excess Interest on the Most Senior Class of GBP Notes or accrued EUR Non-Excess Interest on the Most Senior Class of EUR Notes) after having paid or provided for items of higher priority in the relevant Pre-Enforcement Priority of Payments, then the Issuer will be entitled under Condition 5.3 (Deferral of Interest) to defer payment of that amount (to the extent of the insufficiency) until the following Note Payment Date or such earlier date as the relevant Class of Notes becomes due and repayable in full in accordance with the Conditions. Any such deferral in accordance with the Conditions will not constitute a Note Event of Default.

Failure to pay GBP Non-Excess Interest on the Most Senior Class of GBP Notes or EUR Non-Excess Interest on the Most Senior Class of EUR Notes will constitute a Note Event of Default under the Notes which may result in the Issuer Security Trustee enforcing the Issuer Security.

Risks relating to amounts accrued above the Class GBP-E Available Funds Cap, the Class GBP-F Available Funds Cap, the Class EUR-D Available Funds Cap and the Class EUR-E Available Funds Cap

Interest on the Class GBP-E Notes will be limited to the Class GBP-E Available Funds Cap. If on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class GBP-E Notes on that date is in excess of the Class GBP-E Adjusted Interest Payment Amount (as defined in Condition 5.7 (Available Funds Cap)), and such excess is attributable to a reduction in the interest-bearing balance of the Securitised GBP Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class GBP-E Notes will be subject to a cap (the **Class GBP-E Available Funds Cap**) at the Class GBP-E Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of Class GBP-E Note interest that would otherwise be due on such Note Payment Date and the affected Noteholders will have no claim against the Issuer in respect thereof.

Interest on the Class GBP-F Notes will be limited to the Class GBP-F Available Funds Cap. If on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class GBP-F Notes on that date is in excess of the Class GBP-F Adjusted Interest Payment Amount (as defined in Condition 5.7 (Available Funds Cap)), and such excess is attributable to a reduction in the interest-bearing balance of the Securitised GBP Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class GBP-F Notes will be subject to a cap (the **Class GBP-F Available Funds Cap**) at the Class GBP-F Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of Class GBP-F Note interest that would otherwise be due on such Note Payment Date and the affected Noteholders will have no claim against the Issuer in respect thereof.

Similarly, interest on the Class EUR-D Notes will be limited to the Class EUR-D Available Funds Cap. If, on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class EUR-D Notes on that date is in excess of the Class EUR-D Adjusted Interest Payment Amount (as defined in Condition 5.7 (Available Funds Cap)), and such excess is attributable to a reduction in the interest-bearing balance of the Securitised EUR Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class EUR-D Notes will be subject to a cap (the **Class EUR-D Available Funds Cap**) at the Class EUR-D Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of Class EUR-D Note interest that would otherwise be due on such Note Payment Date and the affected Noteholders will have no claim against the Issuer in respect thereof.

Interest on the Class EUR-E Notes will be limited to the Class EUR-E Available Funds Cap. If, on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class EUR-E Notes on that date is in excess of the Class EUR-E Adjusted Interest Payment Amount (as defined in Condition 5.7 (Available Funds Cap)), and such excess is attributable to a reduction in the interest-bearing balance of the Securitised EUR Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class EUR-E Notes will be subject to a cap (the **Class EUR-E Available Funds Cap**) at the Class EUR-E Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of Class EUR-E Note interest that would otherwise be due on such Note Payment Date and the affected Noteholders will have no claim against the Issuer in respect thereof.

Risks to the Class X Certificates relating to amounts accrued above available funds

The interest rate on each class of Notes is based on the Relevant Margin. However, payments on the Class X Certificates will entirely depend upon whether interest received on the relevant Securitised Loan comprising Senior GBP Loan Margin or Senior EUR Loan Margin, as applicable, exceeds the aggregate amount of interest and Note Prepayment Fees that have accrued on the relevant Notes at the Relevant Margins and the aggregate of GBP Administrative Fees or, as applicable, EUR Administrative Fees and payments under the relevant Liquidity Facility Agreement (other than Liquidity Subordinated Amounts) of the relevant Notes. Therefore, in a situation where there has been a partial payment of the relevant Securitised Loan, if since such amortisation is to be applied in part to pay down the relevant Notes with the lower Relevant Margins, it is possible that the Class X Payment Amount will decline or no longer accrue.

Risks associated with floating rate Notes

The yield to maturity on the GBP Notes will be highly sensitive to changes in the levels of LIBOR, and the yield to maturity on the EUR Notes will be highly sensitive to changes in the levels of EURIBOR, such that decreasing levels of LIBOR or, as applicable, EURIBOR, will have a negative effect on the yield to maturity of the holders of such Notes. In addition, prevailing market conditions may increase the spread above LIBOR or, as applicable, EURIBOR, at which comparable securities are being offered, which would cause the relevant Classes of Notes to decline in value. Investors in the Notes should consider the risk that lower than anticipated levels of LIBOR or, as applicable, EURIBOR, could result in lower yields to investors than the anticipated yields and the risk that increased spreads above LIBOR or, as applicable, EURIBOR, could result in a lower value of the Notes. See "*Ongoing Investigations Concerning LIBOR Could Adversely Affect Your Investment in the GBP Notes*" below.

Risks relating to duration of interest periods

Payments in respect of the GBP Notes on any Note Payment Date are dependent on, and limited to, the receipt of funds under the Senior GBP Loan, and payments in respect of the EUR Notes on any Note Payment Date are dependent on, and limited to, the receipt of funds under the Senior EUR Loan. The Senior Loan Interest Periods (in respect of which, in case of the Senior GBP Loan, Loan LIBOR will be calculated and in respect of which, in the case of the Senior EUR Loan, Loan EURIBOR will be calculated) and the Note Interest Periods (in respect of which, in the case of the GBP Notes, LIBOR will be calculated and in respect of which, in the case of the EUR Notes, EURIBOR will be calculated) each have a duration of three months, however there is a seven calendar day difference between each Senior Loan Interest Period and each Note Interest Period and they therefore do not start or end on the same day in the relevant months. Furthermore, if a Note Payment Date would otherwise fall on a day which is not a Business Day, the Note Payment Date will instead occur on the next following Business Day unless such Business Day falls in the next succeeding calendar month in which event it will fall on the immediately preceding Business Day, thereby potentially increasing or reducing the number of days in each interest period. A similar business day adjustment applies in respect of the Senior Loan Interest Payment Dates which similarly may potentially increase or reduce the number of days in a Senior Loan Interest Period.

Although each Senior Loan Interest Period and Note Interest Period will generally consist of the same number of days, the occurrence of, for example, a public holiday in one interest period but not the other means that there can be no assurance that each Senior Loan Interest Period will be of an equal number of days' duration to the corresponding Note Interest Period in respect of the Notes. If a Senior Loan Interest Period is shorter than the corresponding Note Interest Period, this may result in the interest accruing during a Senior Loan Interest Period being less than the interest accruing on the Notes during the corresponding Note Interest Period and if at such time, as a result of the partial redemption of the Notes prior to such date, the weighted average margin (i) (in relation to the GBP Notes) approaches the Senior GBP Loan Margin on the Senior GBP Loan or (ii) (in relation to the EUR Notes) approaches the Senior EUR Loan Margin on the Senior EUR Loan, and this may result in the payments received by the Issuer in respect of any such Senior Loan Interest Period being insufficient to pay in full all amounts due on the GBP Notes (in the case of (i) above) and the EUR Notes (in the case of (ii) above) with respect to the corresponding Note Interest Period. The Issuer will not enter into any hedging arrangements to address this potential mismatch in the relevant LIBOR or EURIBOR rate or the duration of the relevant periods, however GBP Interest Shortfalls and EUR Interest Shortfalls will initially be "cured" through a decrease in the amount available to make GBP-X Certificates Distribution Amounts or EUR-X Certificates Distribution Amounts, as applicable, and to the extent there is a GBP Interest Shortfall or an EUR Interest Shortfall following such reduction, Liquidity Drawings will be available pursuant to the GBP Liquidity Facility Agreement (subject to the terms and conditions contained therein) in respect of GBP Interest Shortfalls and the EUR Liquidity Facility Agreement (subject to the terms and conditions contained therein) in respect of EUR Interest Shortfalls.

Risks relating to the calculation of amounts and payments

Elavon Financial Services Limited, UK Branch, as the 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 Notes of each Class and the Class X Certificates on each Determination Date as described in "*Cashflows 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 Cash Manager (or fails to do so within the required timeframe), the Cash Manager may not be able to accurately calculate amounts due to Noteholders or Class X Certificateholders on the related Note Payment Date.

Pursuant to the Cash Management Agreement, if such a situation arises, the Cash Manager will make its determinations based on the information it does have in connection with payments due on the Notes and the Class X Certificates on the relevant Note Payment Date. If the Cash Manager does not have sufficient information to make such determinations, it can make its determinations based on the information provided to it by the Servicer or, as the case may be, the Special Servicer on the three preceding Servicer Loan Reporting Dates (or, where there is no information in respect of the three preceding Servicer Loan Reporting Dates, any information received in respect of preceding Servicer Loan Reporting Dates) and will not be liable to any person (in the absence of negligence, fraud or wilful default) for the accuracy of such determinations. There can, however, be no assurance that determinations made on this basis will accurately reflect amounts then due to Noteholders or Class X Certificateholders.

The Conditions of the Notes and the Class X Certificates Conditions provide that if, for whatever reason, an incorrect payment is made to any party entitled thereto (including the Noteholders of any Class or, as applicable, any Class X Certificateholder) pursuant to the relevant Pre-Enforcement Priority of Payments or the relevant Post-Enforcement Priority of Payments, the Cash Manager will rectify the same by increasing or reducing payments to such party (including the Noteholders of any Class or, as applicable, any Class X Certificateholder), as appropriate, on each subsequent Note Payment Date or Note Payment Dates to the extent required to correct the same. Where such an adjustment is required to be made, the Cash Manager will notify Noteholders and the Class X

Certificateholders of the same in accordance with the terms of Condition 16 (Notice to Noteholders) of the Notes and Condition 13 (Notice to Class X Certificateholders) of the Class X Certificates, respectively.

Accordingly, Noteholders and Class X Certificateholders should be aware that in such situations increased or reduced payments may be made.

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

Risks relating to the calculation of the Rate of Interest

The Rate of Interest on the GBP Notes and the EUR Notes is based on a reference rate of LIBOR or EURIBOR, respectively, plus a margin, and the rate of interest on the Securitised GBP Loan and the Securitised EUR Loan is based on a reference rate of Loan LIBOR or Loan EURIBOR, respectively, plus a margin. Although LIBOR and Loan LIBOR, in the case of the GBP Notes and the Securitised GBP Loan, and EURIBOR and Loan EURIBOR, in the case of the EUR Notes and the Securitised EUR Loan, are, in each case, calculated in the normal course on the Quotation Day by reference to screen rates provided by the same reporting services, and should therefore be the same, there can be no assurance that a market disruption event will not occur which causes the relevant screen rates provided by such reporting services to become unavailable. In such case any of Loan LIBOR, Loan EURIBOR, LIBOR or EURIBOR may be required to be determined by the fall-back provisions contained in the Senior Facility Agreement or, as applicable, the Conditions. These fall-back provisions differ in certain respects which could have the unintended effect of producing different values as between Loan LIBOR and LIBOR or Loan EURIBOR and EURIBOR, as applicable. In addition, if a Senior Borrower makes a repayment of principal on the relevant Senior Loan between the 15th calendar day of the relevant month and the immediately following Quotation Reference Date, Loan LIBOR or Loan EURIBOR, as applicable, for that repayment will be calculated as of the 15th calendar day rather than on the relevant Quotation Day resulting in a potential mismatch between Loan LIBOR and LIBOR or Loan EURIBOR and EURIBOR, as applicable. These circumstances may result in the payments received by the Issuer in respect of the Securitised GBP Loan or the Securitised EUR Loan being insufficient to pay in full all amounts due on the GBP Notes or the EUR Notes, as applicable.

Considerations relating to yield and prepayments

The yield to maturity on each Class of GBP Notes will depend, to a large extent, upon the rate and timing of principal repayments on the Securitised GBP Loan, and the yield to maturity on each Class of EUR Notes will depend, to a large extent, upon the rate and timing of principal repayments on the Securitised EUR Loan. For this purpose, principal repayments include both voluntary prepayments, including prepayments arising from the sale of a Property, and involuntary prepayments, such as, for example, prepayments resulting from a Senior Loan Event of Default and a subsequent liquidation or other disposal of a Property.

If any Notes of any Class are purchased at a premium, and if payments and other collections of principal on the Securitised Loans 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 Noteholders' investment may shorten and the actual yield to maturity on the relevant Class of Notes may be lower than assumed at the time of the purchase.

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

The investment performance of any Note may vary materially and adversely from expectations due to the rate of payments and other collections of principal on the Securitised Loans being faster or slower than anticipated. Accordingly, the actual yield may not be equal to the yield anticipated at the time the Note was purchased, and the expected total return on investment may not be realised.

Where a Class of Notes is subject to a mandatory redemption in part by reason of a prepayment of the Securitised Loans and Senior Loan Prepayment Fees are payable by the Senior Borrowers on the relevant Securitised Loan pursuant to the prepayment provisions of the Senior Facility Agreement, a Note Prepayment Fee will be payable by the Issuer in respect of those Classes of Notes. Senior Loan Prepayment Fees are only payable for certain prepayments of the Senior Loans. See “*Description of the Facility Agreements—The Senior Facility Agreement*” for further information. Each Note Prepayment Fee will consist of a yield maintenance amount based on the Relevant Margin on the amount prepaid from the date of prepayment until 17 December 2015. To the extent that Senior GBP Loan Prepayment Fees paid under the Securitised GBP Loan or Senior EUR Loan Prepayment Fees paid under the Securitised EUR Loan exceed the relevant aggregate required Note Prepayment Fees, such excess will form part of the GBP-X Certificates Distribution Amount or, if applicable, the EUR-X Certificates Distribution Amount.

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

Risks relating to final maturity of the Notes

The Securitised Loans may not be fully repaid or refinanced by the Final Senior Loan Repayment Date. In such case the Notes would not be repaid in full on the Expected Note Maturity Date. See “*—Refinancing Risk*” below.

If on the Final Senior Loan Repayment Date (including where the Final Senior Loan Repayment Date is extended, whether pursuant to the First Extension Option or the Second Extension Option), the Senior Loans are not repaid in full, this will constitute a Senior Loan Event of Default, entitling the Servicer or, as applicable, the Special Servicer acting on behalf of the Issuer to accelerate the Senior Loans and to exercise other rights and remedies in respect of the Securitised Loans (including instructing the Common Security Agent to take action in respect of the Senior Loan Security). In such case the Senior Loan Security relating to the Securitised Loans may not be fully realised and a shortfall under the Securitised Loans may arise. This is most likely to arise in situations where prevailing market conditions or refinancing options are constrained such that realisations of the Properties made at the relevant time are likely to be lower than under current market conditions. In any such case, this might result in a failure by the Issuer to repay the Notes on or prior to the Final Note Maturity Date.

Subordination

Payments of interest and principal to Noteholders and the payment of any distributions on the Class X Certificates will be made in the priorities set out in the GBP Pre-Enforcement Priorities of Payments, the EUR Pre-Enforcement Priorities of Payments or the GBP Post-Enforcement Priority of Payments or the EUR Post-Enforcement Priority of Payments, as applicable. As a result of such priorities, any losses on the Securitised GBP Loan will be borne first by the Class GBP-F Notes, second, by the Class GBP-E Notes, third, by the Class GBP-D Notes, fourth, by the Class GBP-C Notes and fifth, by the Class GBP-B Notes and sixth, by the Class GBP-A Notes and any losses on the Securitised EUR Loan will be borne first by the Class EUR-E Notes, second, by the Class EUR-D Notes, third, by the Class EUR-C Notes, fourth, by the Class EUR-B Notes and fifth, by the Class EUR-A Notes.

Payments of Note LIBOR Excess Amounts or, as applicable, Note EURIBOR Excess Amounts in respect of a Class of Notes in a Currency Series will be subordinated to payments of interest (other than Note LIBOR Excess Amounts or, as applicable, Note EURIBOR Excess Amounts) in respect of more junior ranking classes of Notes of the same Currency Series, in accordance with the GBP Pre-Enforcement Priority of Payments or, as applicable, the EUR Pre-Enforcement Priority of Payments, as applicable.

Prior to the occurrence of a Class X Trigger Event, the GBP-X Certificates receive the GBP-X Certificates Distribution Amount on each Note Payment Date *pari passu* and *pro rata* with payments of interest and any Note Prepayment Fees on the Class GBP-A Notes. Although this payment is not subordinated to payments on the other Classes of GBP Notes, subordination is created by virtue of the method by which the GBP-X Certificates Distribution Amount amounts payable on the GBP-X Certificates are calculated. If there were insufficient funds available to make payments of interest or Note Prepayment Fees on the GBP Notes, the GBP-X Certificates Distribution Amount would be zero. See Class X Certificates Condition 5.2 (Payment). Following the occurrence of a Class X Trigger Event, payment of Subordinated GBP-X Certificates Amounts will be subordinated to the payments of interest on all Classes of GBP Notes. Subordinated GBP-X Certificates Amounts will only be paid if there are sufficient GBP Available Funds on the relevant Note Payment Date to pay such amounts on such Note Payment Date after all the prior ranking items have been paid or provided for.

Prior to the occurrence of a Class X Trigger Event, the EUR-X Certificates receive the EUR-X Certificates Distribution Amount on each Note Payment Date *pari passu* and *pro rata* with payments of interest and any Note Prepayment Fees on the Class EUR-A Notes. Although this payment is not subordinated to payments on the other Classes of EUR Notes, subordination is created by virtue of the method by which the EUR-X Certificates Distribution Amount amounts payable on the EUR-X Certificates are calculated. If there were insufficient funds available to make payments of interest and Note Prepayment Fees on the EUR Notes, the EUR-X Certificates Distribution Amount would be zero. See Class X Certificates Condition 5.2 (Payment). Following the occurrence of a Class X Trigger Event, payment of Subordinated EUR-X Certificates Amounts will be subordinated to the payments of interest on all Classes of EUR Notes. Subordinated EUR-X Certificates Amounts will only be paid if there are sufficient EUR Available Funds on the relevant Note Payment Date to pay such amounts on such Note Payment Date after all the prior ranking items have been paid or provided for.

As a result of the subordination structure described above and other risks, under certain circumstances investors in one or more Classes of Notes may not recover their initial investment.

Amounts payable by the Issuer to other Issuer Secured Creditors such as the Cash Manager, the Account Bank, the Agents, the Liquidity Facility Provider, the Servicer, the Special Servicer, the Note Trustee and the Issuer Security Trustee rank in priority to payments of principal and interest on the Notes and in priority to any distributions under the Class X Certificates, both before and after an enforcement of the Issuer Security.

Risks relating to the segregation of cashflows between the Securitised GBP Loan and the GBP Notes and the Securitised EUR Loan and the EUR Notes and the cross-default and cross-collateralisation of the Senior GBP Loan and Senior EUR Loan

The repayment of principal and interest by the Senior Borrowers in respect of each of the Securitised Loans will provide the principal source of funds for the Issuer to make payments on the Notes and Class X Certificates. Cashflows in sterling arising from payments under the Securitised GBP Loan will be used to make payments on the GBP Notes and cashflows in euro arising from payments under the Securitised EUR Loan will be used to make payments on the EUR Notes. Specifically, all payments of principal and interest received in respect of the Securitised GBP Loan will be first applied in accordance with the GBP Pre-Enforcement Priority of Payments, all payments of principal

and interest received in respect of the Securitised EUR Loan will be first applied in accordance with the EUR Pre-Enforcement Priority of Payments and, following the service of a Note Acceleration Notice, all monies or receipts received by the Issuer, the Issuer Security Trustee or any receiver appointed by it with respect to the Securitised GBP Loan will be first applied in accordance with the GBP Post-Enforcement Priority of Payments and, with respect to the Securitised EUR Loan, will be first applied in accordance with the EUR Post-Enforcement Priority of Payments.

Under the Securitised Loans, funds are not segregated into GBP and EUR until after the issue of an Account Segregation Notice which the Senior Facility Agent may issue following any Senior Loan Event of Default relating to non-payment of interest or principal, breach of financial covenants or certain insolvency events or following enforcement action (see the section entitled “*Bank Accounts*” within the section entitled “*Description of the Facility Agreements—The Senior Facility Agreement*” for further details). Once segregated, the excess (if any) available after the application of all relevant payments in one currency in accordance with the relevant priority of payments will then be able to be applied to the relevant priority of payments of the other currency. See further “*Cashflows and Issuer Priorities of Payment*” below.

Although the Senior Facility Agreement contains several features designed to allocate the GBP cash-flows from the UK Properties to the Senior GBP Loan and to allocate EUR cash-flows derived from the Dutch Property to the Senior EUR Loan, the Senior GBP Loan and the Senior EUR Loan are ultimately fully cross-defaulted, cross-guaranteed and secured by all of the Properties. Accordingly, although, as set out above, cash-flows arising in respect of the Senior GBP Loan will be used first to make payments under the GBP Notes, and cash-flows arising in respect of the Senior EUR Loan will be used first to make payments under the EUR Notes, ultimately, the holders of the GBP Notes are exposed to the performance of the Senior EUR Loan and the Dutch Property, and the holders of the EUR Notes are exposed to the performance of the Senior GBP Loan and the UK Properties, including in each case any related foreign exchange risk relating to the then applicable GBP/EUR exchange rate.

Similarly, there are several features of the Senior Facility Agreement which effectively treat the Senior GBP Loan and the Senior EUR Loan as a single loan for certain material purposes. For example, the financial covenants contained in the Senior Facility Agreement are calculated on an aggregate basis. Accordingly it is possible that poor performance of one Senior Loan and its respective Property or Properties would be compensated for in the short term by superior performance by the other Senior Loan and its respective Property or Properties, which could ultimately further expose the holders of the GBP Notes to the performance of the Senior EUR Loan and the Dutch Property, or, as applicable, the holders of the EUR Notes to the performance of the Senior GBP Loan and the UK Properties.

Absence of operating history of the Issuer; reliance on agents

The Issuer is a recently formed special purpose public limited company incorporated in England and Wales under the Companies Act 2006 with limited liability as a public limited company whose business will consist solely of the issuance of Notes and the Class X Certificates and the entering into and performance of its obligations under the Issuer Transaction 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 agents appointed by the Issuer 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 Cash Manager, the Account Bank, the Agents, the Liquidity Facility Provider, the Note Trustee or the Issuer Security Trustee and any calculations derived therefrom.

Rights of the Controlling Class

Each of the GBP Controlling Class and the EUR Controlling Class will have the right to appoint a separate Operating Advisor who will have certain rights as described below.

There can be no assurance that any directions provided by the relevant Controlling Class to its respective Operating Advisor will ultimately maximise the recovery on the Securitised GBP Loan and/or the Securitised EUR Loan. Because the Controlling Class may represent a junior class of Notes, the Controlling Class will have interests that may conflict with those of the other Noteholders in respect of a Specially Serviced Loan.

Neither the Servicer nor the Special Servicer will have any obligation to identify the individual Noteholders of any class that may be a Controlling Class from time to time, to inform them of their rights as such or to assist them in the appointment of an Operating Advisor. Should a Controlling Class fail to appoint an Operating Advisor (or an Operating Advisor resigns or is terminated and is not replaced), the relevant Controlling Class will be deemed to have waived any rights it may have vis-à-vis the Servicer and the Special Servicer.

Neither the relevant Controlling Class nor the relevant Operating Advisor will have any liability to the Issuer, any Noteholder (of any Class), the Note Trustee, the Issuer Security Trustee or any other party for any action taken, or for refraining from taking any action, in good faith or for any errors of judgment.

Rights of the Operating Advisors in relation to the Securitised Loans

At any time when any Operating Advisor is appointed, the Servicer or, if applicable, the Special Servicer, in respect of any matter requiring it to act, shall determine whether such matter relates to the Securitised GBP Loan only (in which case only the GBP Operating Advisor will need to be consulted and/or its consent required) or to the Securitised EUR Loan only (in which case only the EUR Operating Advisor will need to be consulted and/or its consent required). See “*Key terms of the servicing arrangements for the Securitised Loans and the Retained Tranche—Controlling Class and Operating Advisors*”.

The GBP Operating Advisor, on behalf of the GBP Controlling Class, will have the right to be consulted with in relation to certain actions with respect to the servicing and enforcement in respect of the Securitised GBP Loan including, among other things, certain modifications, waivers and amendments of, or consents given under, the Senior GBP Loan, the release of any security and the release of any Senior Obligor’s obligations under the Senior Facility Agreement. Similarly, the EUR Operating Advisor, on behalf of the EUR Controlling Class, will have the right to be consulted with in relation to certain actions with respect to the servicing and enforcement in respect of the Securitised EUR Loan including, among other things, certain modifications, waivers and amendments of, or consents given under, the Senior EUR Loan, the release of any security and the release of any Senior Obligor’s obligations under the Senior Facility Agreement. In addition, the GBP Operating Advisor and the EUR Operating Advisor, each on behalf of the relevant Controlling Class, acting together will have the right to require the Issuer to replace the person then acting as the Special Servicer.

Neither the Servicer nor the Special Servicer will be permitted to act upon any direction given by the GBP Operating Advisor and/or the EUR Operating Advisor, or to refrain from taking any action resulting from the consultation with, or approval rights of, the GBP Operating Advisor and/or the EUR Operating Advisor as applicable, if so acting or refraining from acting would cause it to violate the Servicing Standard. There can be no assurance that any advice or suggestions given or made by the GBP Operating Advisor and/or the EUR Operating Advisor and followed by the Special Servicer will ultimately maximise the recoveries on the Securitised GBP Loan and/or the Securitised EUR Loan, as applicable. For further details of the Operating Advisors’ consultation rights, see “*Key terms of the servicing arrangements for the Securitised Loans and the Retained Tranche*”.

The GBP Operating Advisor and the EUR Operating Advisor may act solely in the interests of the GBP Controlling Class and the EUR Controlling Class respectively. The GBP Operating Advisor does not have any duties to any GBP Noteholders (other than the GBP Controlling Class) or to the GBP-X Certificateholders and the EUR Operating Advisor does not have any duties to any EUR Noteholders (other than the EUR Controlling Class) or to the EUR-X Certificateholders.

The GBP Operating Advisor may take or suggest actions that favour the interests of the GBP Controlling Class over the interests of the other GBP Noteholders and/or over the interests of the GBP-X Certificateholders and the EUR Operating Advisor may take or suggest actions that favour the interests of the EUR Controlling Class over the interests of the other EUR Noteholders and/or over the interests of the EUR-X Certificateholders.

The GBP Operating Advisor and the EUR Operating Advisor will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of it having acted solely in the interests of the GBP Controlling Class (in the case of the GBP Operating Advisor) or the EUR Controlling Class (in the case of the EUR Operating Advisor).

The GBP Operating Advisor and the EUR Operating Advisor will have no liability whatsoever for having acted solely in the interests of the GBP Controlling Class (in the case of the GBP Operating Advisor) or the EUR Controlling Class (in the case of the EUR Operating Advisor), and no holder of any Class of Notes (other than the GBP Controlling Class in the case of the GBP Operating Advisor or the EUR Controlling Class in the case of the EUR Operating Advisor) or of the Class X Certificates may take any action whatsoever against either GBP Operating Advisor or the EUR Operating Advisor for having so acted.

Appointment of substitute servicer or substitute special servicer

The termination of the appointment of the Servicer or the Special Servicer 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 Loans and the Retained Tranche*” for further information).

CBRE, as Servicer, is currently paid a nominal fee of £1 per annum for servicing the Securitised Loans and the Retained Tranche in addition to the fee that it receives in its role as Senior Facility Agent. It is extremely unlikely that a suitable servicer would agree to service the Securitised Loans and the Retained Tranche for the same £1 nominal fee but there can also be no assurance that a suitable substitute servicer or substitute special servicer could be found who would be willing to service the Securitised Loans and the Retained Tranche 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 Notes and to payment of any distributions on the Class X Certificates.

Risks relating to Servicing Standard

Each of the Servicer and the Special Servicer is required to perform its duties on behalf of and for the benefit of the Issuer and the Issuer Security Trustee, with respect to the Securitised Loans, and the Retention Holder, with respect to the Retained Tranche, in accordance with and subject to the Servicing Standard. This means, among other things, that the Servicer and the Special Servicer, as applicable, will act giving due consideration to the customary and usual standards of practice of

prudent commercial mortgage lenders which service loans similar to the Senior Loans, with a view to: (A) the prudent and timely exercise of the rights of the Issuer and the Retention Holder under the Senior Finance Documents; (B) the timely collection of all sums due to the Issuer and the Retention Holder in respect of the Senior Loans; and (C) if a Senior Loan Event of Default occurs and is continuing, maximising recoveries in respect of each Senior Loan on or before the Final Note Maturity Date (without prejudice to sub-paragraph (B) above). If there is a conflict in the interests of the Issuer as holder of the Senior GBP Loan and the interests of the Issuer as holder of the Senior EUR Loan in relation to the exercise of any of the Servicer's duties, the Servicer or the Special Servicer, as applicable, must act on the instructions of the GBP Controlling Class and EUR Controlling Class provided by way of an Ordinary Resolution passed at a single meeting of both Classes (or an equivalent Written Ordinary Resolution). There can be no assurance that any directions provided by the relevant Controlling Class in this scenario will ultimately maximise the recovery on the Senior GBP Loan and/or the Senior EUR Loan. In addition, due to the consideration given to the two Currency Series as described in this paragraph, the Servicing Standard differs from the standards for servicing that may be established on other similar transactions.

Conflicts between the Servicing entities 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 Senior Loans, in the ordinary course of their respective businesses. These loans may be in the same markets or have common ultimate owners and/or property managers as the Senior Loans 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 Senior Loans 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 Senior Loans. 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 Loans and could reduce receipts and recoveries under the Securitised Loans, which would reduce funds available to make payment of amounts due under the Notes and the Class X Certificates.

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.

Workout Fees and Liquidation Fees

A Specially Serviced Loan will become a Corrected Loan upon the discontinuance of any event which would constitute a monetary Special Servicing Transfer Event for two consecutive interest periods 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 relevant Senior 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 Loans and the Retained Tranche—Servicing Fee, Liquidation Fee and Workout Fee*"), the Special Servicer will be entitled to a Workout Fee. In addition, upon the sale of any Property following enforcement of any Specially Serviced Loan, the Special Servicer will be entitled to receive a Liquidation Fee (the **Liquidation Fee**). Pursuant to the terms of the Senior Facility Agreement, the Senior Obligors are required to indemnify the Senior Finance Parties against any cost, loss or liability incurred by the Senior Finance Parties as a result of the occurrence of any Senior Loan Event of Default. However, it cannot be assured that the Senior Finance Parties, including the Issuer, would be able to recover from the Senior Obligors, sufficient payments under any such indemnity to cover all Workout Fees and/or Liquidation Fees incurred. Since payments of Workout Fees and Liquidation Fees will be made by the Issuer in accordance with the relevant Issuer Priority of Payments and by the

Retention Holder pursuant to their *pro rata* portion of amounts due and will be made in priority to amounts due to the Noteholders, depending on the amount of enforcement proceeds realised following enforcement of any Specially Serviced Loan, payment of any Workout Fees and/or Liquidation Fees may reduce amounts available to pay to the Noteholders and the Retention Holder.

Conflicts between the Arranger, the Lead Manager, the Liquidity Facility Provider, the Loan Seller, the Retention Holder and their affiliates, on one hand, and the Issuer, on the other hand

Conflicts of interest between the Arranger, the Lead Manager, the Liquidity Facility Provider, the Loan Seller or the Retention Holder and their affiliates that engage in the financing of commercial property, on one hand, and the Issuer, on the other hand, may arise because the Arranger, the Lead Manager, the Liquidity Facility Provider, the Loan Seller and the Retention Holder and their affiliates will not be prohibited in any way from engaging in business activities similar to or competitive with those of the Senior Borrowers. Affiliates of the Arranger, the Lead Manager, the Liquidity Facility Provider the Loan Seller or the Retention Holder intend to continue to actively finance property-related assets in the ordinary course of their businesses. During the course of their business activities, affiliates of the Arranger, the Lead Manager, the Liquidity Facility Provider, the Loan Seller or the Retention Holder 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 may differ from and compete with the interests of the Issuer, and decisions made with respect to such assets may adversely affect the amount and timing of distributions with respect to the Notes.

In addition, affiliates of the Arranger and the Lead Manager may acquire certain Classes of the Notes, and therefore may acquire certain voting rights, become the Controlling Class or the Noteholders of the Most Senior Class of Notes. The respective affiliates of the Arranger and the Lead Manager may also 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 Arranger and the Lead Manager and such affiliates arising from such business relationships.

The Issuer will be subject to various conflicts of interest involving the Lead Manager

J.P. Morgan will act as Lead Manager in respect to the Notes and will be paid fees and commissions for such service by the Issuer from the proceeds of the issuance of the Notes. On the Closing Date, J.P. Morgan or an affiliate (the **JPMorgan Holder**) will retain the Class EUR-C Notes. The JPMorgan Holder will not be required to retain any Notes acquired by it and the JPMorgan Holder may realise a gain in the secondary market by selling Notes purchased by it. The JPMorgan Holder may exercise voting rights in respect of the Notes it holds in a manner which may be prejudicial to other Noteholders. The JPMorgan Holder will have no responsibility for, or obligation in respect of, the Issuer and will have no obligation to own Notes on or after the Closing Date, or to retain Notes for any length of time.

Potential Conflicts of Interest of Blackstone

The Blackstone Group L.P. (**Blackstone**) and its affiliates, including the Sponsor, own, lease and manage a large number of properties other than the Properties and may acquire additional properties in the future. Such other properties, similar to other third-party owned real estate, may compete with the Properties for existing and potential guests. It cannot be assured that Blackstone and their affiliates will allocate their management efforts in such a way as to maximise the returns with respect to any of the Properties, as opposed to maximising the returns with respect to such other properties which do not secure the Senior Loans, or that Blackstone and its affiliates will not actively compete with the Properties or that the activities of Blackstone and its affiliates with respect to such other properties will not adversely impact the performance of any Property. Additionally, the Loan Seller or affiliates of the Loan Seller may lend to Blackstone and their affiliates in the future with such properties constituting security.

Issuer Related Parties may purchase Notes and Class X Certificates

Each of the Servicer or the Special Servicer, if applicable may purchase all or part of one or more Classes of Notes and Class X Certificates. 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 Note or Class X Certificate, especially to the extent that certain actions or events have a disproportionate effect on one or more Classes of Notes and Class X Certificates. 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 or Class X Certificate by the Servicer or the Special Servicer, if applicable, or any affiliate thereof.

Similarly, Holdings, any Senior Obligor (or any of their respective affiliates), the Sponsor or a Sponsor Affiliate may purchase Notes or Class X Certificates. If Holdings, any Senior Obligor (or any of their respective affiliates), the Sponsor or a Sponsor Affiliate became a Noteholder, such Senior Obligor (or any of their respective affiliates), Holdings, the Sponsor or a Sponsor Affiliate would be a Disenfranchised Holder in accordance with Condition 13.7 (Disenfranchised Holder), and as a result would not be permitted to exercise any voting, objecting or directing rights attaching to any Notes (or be counted in or towards any required quorum or majority).

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.

Holding Company in relation to any other person, means a person in respect of which that other person is a Subsidiary.

Subsidiary means an entity of which a person has direct or indirect control or 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.

Ratings of Notes

The ratings assigned to each Class of GBP Notes and to each Class of EUR Notes by the Rating Agencies are subject to the characteristics of the Securitised Loans, the related Senior Loan Security and the Properties and other relevant structural features of the transactions described in this Prospectus, including, among other things, the short-term and the long-term unsecured, unguaranteed and unsubordinated debt ratings of the Account Bank and the Liquidity Facility Provider. A downgrade, withdrawal or qualification of any of the ratings of the parties mentioned above may impact upon the ratings of the Notes. These ratings reflect only the views of the Rating Agencies.

A rating does not represent any assessment of the yield to maturity that a Noteholder may experience or the possibility that holders of the Notes may not recover their initial investments if unscheduled receipts of principal result from a prepayment, a default and acceleration or from the receipt of funds with respect to, among other things, a compulsory purchase.

There can be no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any or either of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgment of a Rating Agency, circumstances so warrant.

Future events, including but not limited to events affecting the Account Bank or the Liquidity Facility Provider and/or circumstances relating to the Properties and/or the property market generally, could have an adverse impact on the rating of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency. Furthermore, there can be no assurance that the Rating Agencies will take the same view as each other, which may affect the Senior Borrowers' ability to adapt the structure of the transaction to changes in the market over the long term.

Credit rating agencies review their rating methodologies on an on-going basis and there is a risk that changes to such methodologies will adversely affect credit ratings of the Notes even where there has been no deterioration in respect of the criteria which were taken into account when such ratings were issued.

Credit rating agencies other than the Rating Agencies could seek to rate the Notes without having been requested to do so by the Issuer. If such unsolicited ratings are lower than the comparable ratings assigned to the Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any references to ratings or rating in this Prospectus are to ratings assigned by the specified Rating Agencies only.

Rating Agency Confirmation—exercise of discretion by the Note Trustee

Where it is necessary for the Note Trustee to determine, in its opinion, for the purposes of exercising any right, power, trust, authority, duty or discretion under or in relation to the Notes, the Conditions or any of the Issuer Transaction Documents, whether or not such exercise will be materially prejudicial to the interests of the Noteholders or any Class of Noteholders, the Note Trustee will be entitled, in making such a determination, to take into account among any other things it may, in its absolute discretion, consider necessary and/or appropriate, any Rating Agency Confirmation (if available) in respect of ratings of the Notes or, as the case may be, the Notes of a particular Class, stating that the ratings of the Notes or the Notes of a particular Class will not be downgraded, withdrawn or qualified, and that, where any original rating of the Notes or, as the case may be, the Notes of a particular Class has been and continues to be downgraded, restoration of such original rating would not be prevented, as a result of such exercise.

For the avoidance of doubt, such Rating Agency Confirmation will not be construed to mean that any such exercise by the Note Trustee of any right, power, trust, authority, duty or discretion under or in relation to the Notes, the Conditions or any of the Issuer Transaction Documents is not materially prejudicial to the interests of the holders of the Notes or, as the case may be, the Notes of the relevant Class.

Further, the non-receipt of such Rating Agency Confirmation will not be construed to mean that any such exercise by the Note Trustee as aforesaid is materially prejudicial to the interests of the holders of the Notes or, as the case may be, the Notes of the relevant Class.

No assurance can be given that any Rating Agency will provide a Rating Agency Confirmation in respect of the Notes of the kind described herein or that, depending on the timing of the delivery of the request and any information needed to be provided, it may be the case that the Rating Agencies cannot provide their Rating Agency Confirmation in the time available and, in either case, the Rating Agencies will not be responsible for the consequences thereof. However, if a Rating Agency Confirmation is provided, it should be noted that a Rating Agency's decision to reconfirm a particular rating may be made on the basis of a variety of factors. In particular, the Noteholders should be aware that the Rating Agencies owe no duties whatsoever to any parties to the transaction (including the Noteholders) in providing any Rating Agency Confirmation. No assurance can be given that a requirement to seek ratings confirmation will not have a subsequent impact upon the business of the Senior Obligors. In addition, it should be noted that any confirmation of ratings:

- (a) only addresses the effect of any relevant event, matter or circumstance on the current ratings assigned by the relevant Rating Agency to the Notes or, if applicable, the Notes of a particular Class;
- (b) does not address whether any relevant event, matter or circumstance is permitted by the Issuer Transaction Documents; and
- (c) does not address whether any relevant event, matter or circumstance is in the best interests of, or prejudicial to, some or all of the Noteholders or other Issuer Secured Creditors.

No assurance can be given that any such confirmation will not be given in circumstances where the relevant proposed matter would materially adversely affect the interests of Noteholders of a particular Class.

The Rating Agencies, in assigning credit ratings, do not comment upon the interests of the holders of securities (such as the Notes).

The implementation of certain matters will, pursuant to the Issuer Transaction Documents, be subject to the receipt of a Rating Agency Confirmation.

Change of Counterparties

The parties to the Issuer Transaction Documents who receive and hold monies or provide support to the transaction pursuant to the terms of such documents are required to satisfy certain criteria in order to remain a counterparty to the Issuer.

These criteria may include requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable to the Issuer as those agreed with the original party pursuant to the relevant Issuer Transaction Document and the cost to the Issuer may therefore increase. This may reduce amounts available to the Issuer to make payments of interest on the Notes. Furthermore, it may not be possible to identify an entity who satisfies the criteria with the Requisite Rating which will agree to act as a replacement entity at all.

In addition, should the applicable rating agency criteria cease to be satisfied, then the parties to the relevant Issuer Transaction Document may (but will not be obliged to) agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders may not be required in relation to such amendments and/or waivers if any such change is in line with Rating Agency criteria and 20 per cent. or more of the Noteholders have not raised an objection within 30 days of notice of such amendment being served upon the Noteholders (see “—*Risks relating to Negative Consent Process*”).

Risks relating to the rights of Noteholders, Extraordinary Resolutions and Noteholder Meetings

Except as described below and elsewhere in this Prospectus, investors in the Notes or in the Class X Certificates do not have the right to make decisions with respect to the administration of the Issuer or the exercise of its rights or obligations under the Issuer Transaction Documents. These decisions will generally be made, subject to the terms of the relevant Issuer Transaction Document, by the Servicer or the Special Servicer or, in certain limited cases, by the Note Trustee. Any decision made by any of these parties in accordance with the terms of the relevant Issuer Transaction Document, may be contrary to the decision any particular investor would have made and may negatively affect the interest of any such investor.

Generally, Noteholders will have the ability to act only through Noteholder resolutions. The provisions of the Issuer Transaction Documents relating to the convening of meetings of Noteholders and the passing of Extraordinary Resolutions and Ordinary Resolutions differ from the equivalent provisions in the documentation for many comparable commercial mortgage backed securitisations, particularly comparable securitisations which closed prior to the onset of the global financial crisis in the summer of 2007.

In particular, notice periods for convening such meetings may be shorter and the majority required to pass Extraordinary Resolutions and Ordinary Resolutions may be lower than those applicable in other commercial mortgage backed securitisation transactions (see “—*Risks relating to Noteholder Meetings*” below).

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

Additionally, the Conditions provide that the Retention Holder shall be deemed to be a Noteholder holding 5 per cent. of the Principal Amount Outstanding of each Class of Notes (with the Principal Amount Outstanding of such Notes deemed to be 95 per cent. of the actual Principal Amount Outstanding for such purpose) and entitled as if it were a holder of Notes of the relevant Class to attend any meeting, count in the quorum and vote in respect of any Ordinary Resolution or Extraordinary Resolution (or Written Ordinary Resolution and Written Extraordinary Resolution) of such Class of Notes in relation to any Retained Tranche Related Matter. No assurance can be made as to whether the Retention Holder will exercise its rights under the Conditions in a manner favourable to the holders of any Class of Notes.

Noteholders should be aware that unless they have made arrangements to promptly receive notices sent to Noteholders from any custodians or other intermediaries through which they hold their Notes and give the same their prompt attention, meetings may be convened and Extraordinary Resolutions or Ordinary Resolutions may be considered and resolved or deemed to be passed without their involvement. Prospective investors (and particularly those considering investing in more junior Classes of Notes) should, therefore, pay particular attention to the terms referred to above when considering whether or not to invest in the Notes as their rights may differ from those available to them under comparable commercial mortgage-backed securitisation transactions.

Risks relating to Noteholder Meetings

A meeting of Noteholders may be held on 14 clear days’ notice. The requisite quorum for such a meeting is one or more persons holding or representing, in the case of both an Ordinary Resolution and an Extraordinary Resolution, at least 50.1 per cent. of the Principal Amount Outstanding of the relevant Class of Notes except where the Noteholders wish to make a Basic Terms Modification. The quorum for Basic Terms Modifications requires one or more persons holding or representing not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes.

An adjourned meeting of Noteholders may be held on seven clear days’ notice. The requisite quorum for such a meeting is one or more persons being or representing any Noteholders except where the Noteholders wish to make a Basic Terms Modification. The quorum for such a modification requires one or more persons being or representing not less than $33\frac{1}{3}$ per cent. of the Principal Amount Outstanding of the relevant Class of Notes.

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

Risks relating to Negative Consent process

An Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, a Reserved Matter, the waiver of any Note Event of Default, the acceleration of the Notes, the enforcement of the Issuer Security or in respect of any of the Class X Entrenched Rights) or Ordinary Resolution (other than an Ordinary Resolution relating to a Note Maturity Plan), may be deemed passed by the Negative Consent of the relevant Noteholders without any Noteholders meeting having been called or Noteholders having voted in favour of such resolution as long as holders in respect of a sufficient Principal Amount Outstanding of Notes have not voted against such resolution.

Such an Extraordinary Resolution or an Ordinary Resolution, as applicable, will be deemed to have been passed by a Class of Notes **unless**, within 30 days of the requisite notice being given by the Issuer, the Note Trustee, the Cash Manager, the Servicer or the Special Servicer to such Class of Noteholders in accordance with the provisions of Condition 16 (Notice to 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 25 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes of such Class 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 Notes of such Class, 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 is deemed to be passed without the vote of any Noteholders or Class X Certificateholders or even if holders of up to 24.99 per cent. in aggregate of the Principal Amount Outstanding of the relevant Class of Notes objected to it and it is possible that an Ordinary Resolution could be deemed to be passed without the vote of any Noteholders or even if holders of up to 49.99 per cent. in aggregate of the Principal Amount Outstanding of the relevant Class of Notes objected to it.

Class X Entrenched Rights

Any modification of the GBP-X Certificates Distribution Amount, the EUR-X Certificates Distribution Amount, the Relevant Margin, the GBP Administrative Fees or the EUR Administrative Fees or the ability of the Servicer or Special Servicer to reduce the interest rate on any Securitised Loan at any time prior to the Final Senior Loan Repayment Date will require the prior written consent of the both GBP-X Certificateholders and the EUR-X Certificateholders. There can be no assurance that the GBP-X Certificateholders and the EUR-X Certificateholders will provide consent to any such modification in a timely manner or at all. A Class X Certificateholder may act solely in the interests of itself and does not have any duties to any other Noteholders (see Condition 12 of the Class X Certificates Conditions).

Rights available to holders of Notes of different Classes

In performing its duties and exercising its powers as trustee for the Noteholders, the Note Trustee will have regard to the interests of the holders of the Notes equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise in the Trust Deed or the Conditions). Save in respect of a Basic Terms Modification, if, in the opinion of the Note Trustee, there is a conflict between one Class of Noteholders, on the one hand, and any other Class of Noteholders of the same Currency Series, on the other hand, the Note Trustee shall have regard only to the interests of the holders of the Most Senior Class of Notes in respect of which the conflict arises. If, in the opinion of the Note Trustee there is a conflict between interests of the holders of the GBP Notes and the interests of the holders of the EUR Notes, the Note Trustee shall refer such matter to the Noteholders to be resolved through resolutions passed by the Noteholders in accordance with the procedures as provided in the Trust Deed and the Conditions.

Prospective investors in more junior Classes of Notes of a Currency Series should, therefore, be aware that conflicts with the Most Senior Classes of Notes of such Currency Series will be resolved in favour of the latter Classes. This could adversely affect value and recoveries of one or more junior Classes of Notes.

Modifications to the Issuer Transaction Documents to comply with Rating Agency criteria

The Conditions of the Notes provide that if the Issuer is of the opinion (following discussions with the applicable Rating Agencies or otherwise) that any modification is required to be made to the Issuer Transaction Documents and/or the Conditions in order to (i) comply with any criteria of the Rating Agencies which may be published after the Closing Date; or (ii) comply with any alternative requirements of the Rating Agencies (where it is not possible to replace the Account Bank with a replacement bank which has the ratings required under the Cash Management Agreement), the Issuer shall promptly notify all Noteholders in accordance with Condition 16 (Notice to Noteholders).

If within 30 calendar days from service of such notice, Noteholders representing at least 20 per cent. of the then aggregate Principal Amount Outstanding of the Notes have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes will be held) to reject the proposed amendments, the Noteholders will be deemed to have consented to the modifications and the Note Trustee shall, subject to certain exceptions, but without a requirement for the consent or sanction of any of the Noteholders or any other Issuer Secured Creditor and irrespective of whether such modifications are or may be materially prejudicial to the interests of the Noteholders of any Class or any other parties to any of the Issuer Transaction Documents, concur with the Issuer and, where relevant, the Senior Obligors, and/or direct the Issuer Security Trustee to concur with the Issuer and, where relevant, the Senior Obligors, in making any modification to the Issuer Transaction Documents and/or the Conditions that are requested by the Issuer and, where relevant, the Senior Obligors in order to comply with such updated criteria *provided that* the Issuer certifies to the Note Trustee and the Issuer Security Trustee in writing that: (i) such modifications are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating Agency to any Class of the Notes; (ii) the proposed modifications seek only to implement the new criteria published by the applicable Rating Agencies or to implement any alternative requirements of the Rating Agencies in respect of a downgrade of the Account Bank or of the Liquidity Facility Provider; (iii) the proposed modifications do not constitute a Basic Terms Modification; and (iv) the Noteholder consultation provisions set out above have been complied with and the requisite number of Noteholders have not rejected the proposed amendments within the specified timeframe; and provided further that the Note Trustee and the Issuer Security Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee and the Issuer Security Trustee, as applicable, would have the effect of: (i) exposing the Note Trustee and the Issuer Security Trustee, as applicable, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, authorisations, indemnification or protections, of the Note Trustee and the Issuer Security Trustee, as applicable in respect of the Notes, in the Issuer Transaction Documents and/or the Conditions. Therefore, such modifications could be made notwithstanding they are or may be materially prejudicial to the interests of the Noteholders of any Class, the Class X Certificateholders or any other parties to any of the Issuer Transaction Documents.

Notwithstanding anything to the contrary in the Issuer Transaction Documents, the Note Trustee will not consider the interests of any other person in agreeing to such modifications.

The Note Trustee and/or the Issuer Security Trustee, as applicable, will rely absolutely and without 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 absolutely and without enquiry or liability) and will not monitor or investigate whether the Issuer is acting in a commercially reasonable manner, nor will the Note Trustee or the Issuer Security 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 or certification it receives from the Issuer.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and any such modification, waiver, authorisation or determination shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 16 (Notice to Noteholders). There can be no assurance that such modifications would not increase the costs of the Issuer or reduce the returns to Noteholders or the Class X Certificateholders.

Absence of secondary market; limited liquidity

Application has been made to the Central Bank of Ireland, as competent authority under the Prospectus Directive as implemented in Ireland, for this Prospectus to be approved.

Application has been made to the Irish Stock Exchange for the 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 Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment, or that it will continue for the life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. Lack of liquidity could result in a significant reduction in the market value of the Notes.

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

Equally, there can be no assurance that a secondary market in the Class X Certificates will develop or, if it does develop, that it will provide Class X Certificateholders with liquidity of investment, or that it will continue for the life of the Class X Certificates. Consequently, any purchaser of the Class X Certificates must be prepared to hold such Class X Certificates for an indefinite period of time. Lack of liquidity could result in a significant reduction in the market value of the Class X Certificates.

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

The Notes and Class X Certificates will be affected by market trends which affect secured real estate bonds 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 secured real estate bonds 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 Notes and Class X Certificates. 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 secured real estate bonds that are backed by mortgages on such commercial real estate. There can be no assurance that the historic dislocation in the secured real estate bonds market will not continue to affect market perceptions of secured real estate bonds 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 secured real estate bonds market, the Properties may nevertheless decline in value. The market value of the Notes and the Class X Certificates and/or liquidity in the secondary market may be adversely affected by market perceptions of secured real estate bonds generally.

The ability of the Senior Borrowers to make payments when due on the Senior Loans will depend on the income and revenue generated from the operation of the Properties as hotels which are also subject to local economic factors. Any economic downturn may adversely affect the financial resources of the Senior Borrowers and may result in the inability of the Senior Borrowers to make principal and interest payments on, or refinance, the Senior Loans when due. In the event of default by the Senior Borrowers under the Senior Loans, the Issuer may suffer a partial or total loss with respect to the Senior Loans. Materially reduced levels of income and revenue from the operation of the related Properties would have an adverse effect on the payments of principal, interest and other amounts received by holders of the Notes or Class X Certificates.

In addition to credit factors directly affecting secured real estate bonds, the continuing fallout from a downturn in the markets for other asset backed and structured products also affected the secured real estate bonds market by contributing to a decline in the market value and liquidity of securitised investments such as secured real estate bonds. The deterioration of other structured products markets may continue to adversely affect the value of secured real estate bonds. Even if secured real estate bonds are performing as anticipated, the value of such secured real estate bonds 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 Notes and Class X Certificates

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 secured real estate bonds and other asset-backed securities and structured financial products is still continuing. While as of the date of the Prospectus the United Kingdom and Dutch economies 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 hotel properties*” a material worsening in economic conditions in the locations in which the Properties are situated could decrease operating income and revenue at the Properties in their operation as hotels thereby adversely affecting the amounts received by the Senior Borrowers and therefore potentially adversely affecting the amounts received by the Issuer under the Securitised Loans and consequently the amounts paid to the Noteholders and Class X Certificateholders.

During the credit crisis, the lack of credit liquidity decreased 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 secured real estate bonds.

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, 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 Loans and accordingly the performance of the Notes and Class X Certificates and the general availability of commercial real estate financing will directly affect the ability of the Senior Obligor to repay the Securitised Loans 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 Senior Loans and adversely affect the amount of Liquidation Proceeds. For the avoidance of doubt, any enforcement sale (including a distressed sale made pursuant to a consensual arrangement between the Senior Obligor and the Special Servicer);
- (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 Notes and Class X Certificates, directly affecting the ability of the Senior Borrowers to realise value by selling the Properties and their ability to refinance the Senior Loans. Such declines may or may not occur for reasons largely unrelated to the circumstances of any particular Property;
- (c) if a Noteholder or Class X Certificateholder decides to sell its Notes or Class X Certificates (as applicable), 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 Notes, the Class X Certificates or the Securitised Loan; and this may be the case within a relatively short period following the issuance of the Notes and Class X Certificates;
- (d) if the Senior Loans default, then the return on the 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 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 Noteholders' investments and if any Class of Notes is purchased at a premium then in such case, the actual yield to maturity on that Class of 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 Notes may be insufficient to compensate Noteholders for that delay and if any Class of Notes is purchased at a discount then in such case the actual yield to maturity on that Class of Notes may be lower than assumed at the time of the purchase;
- (e) even if Liquidation Proceeds received in respect of the Securitised Loans 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 Noteholders may bear losses as a result of such additional fees and other expenses the Issuer has to bear, and the return paid in respect of the Notes and the Class X Certificates may be adversely affected by any such losses;
- (f) the time periods within which the Senior Loans will be repaid following the occurrence of a default may be considerable, and those periods may be further extended because of the insolvency of a Senior Obligor and related litigation; and
- (g) even if the Noteholders and Class X Certificateholders intend to hold their Notes to maturity, depending on the circumstances of particular Noteholders and Class X Certificateholders, Noteholders and Class X Certificateholders may be required to report declines in the value of their holdings in the Notes and Class X Certificates, 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 Notes and Class X Certificates, in each case as if the Notes and Class X Certificates were to be sold immediately.

Definitive Notes and denominations in integral multiples

The Notes have a denomination consisting of a minimum authorised denomination of £100,000/€100,000 plus higher integral multiples of £1/€1. Accordingly, it is possible that the 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 Notes are required to be issued, 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 Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

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

Availability of Liquidity Facilities

Pursuant to the terms of the Liquidity Facility Agreements, the Cash Manager (on behalf of the Issuer) will make and apply the drawings under the Liquidity Facility Agreements to meet any shortfalls in the payment of certain expenses of the Issuer, in the payment of any interest due by the Issuer to any of the Noteholders (other than to the Class GBP-E Noteholders, the Class GBP-F Noteholders, the Class EUR-D Noteholders and the Class EUR-E Noteholders where the shortfall is attributable to the Class GBP-E Available Funds Cap, the Class GBP-F Available Funds Cap, the Class EUR-D Available Funds Cap or the Class EUR-E Available Funds Cap, respectively) and in payment of any Property Protection Shortfalls.

The amount available to be drawn under the relevant Liquidity Facility, on any Note Payment Date may be less than the Issuer would have received had full and timely payments been made in respect of all amounts owing to the Issuer during the related collection period. In addition, the Issuer is exposed to the risk of the Liquidity Facility Provider becoming insolvent. In such circumstances, insufficient funds may be available to the Issuer to pay in full interest due on the Notes.

At no time will any Liquidity Facility be available to cover shortfalls in funds available to the Issuer to pay amounts in respect of principal, Note Prepayment Fees, Note LIBOR Excess Amounts, Note EURIBOR Excess Amounts or amounts payable on the Class X Certificates or to the Loan Seller in respect of any additional consideration payable under the Loan Sale Agreement.

The amount available for drawdown under the GBP Liquidity Facility as of the Closing Date is £17,700,000 and thereafter will decrease as the Principal Amount Outstanding of the GBP Notes decreases, and the amount available for drawdown under the EUR Liquidity Facility as of the Closing Date is €9,200,000 and thereafter will decrease as the Principal Amount Outstanding of the EUR Notes decreases, as described under “*Description of the Liquidity Facility Agreements*” below. In addition, the amount available for drawdown under the GBP Liquidity Facility or the EUR Liquidity Facility will decrease due to Appraisal Reductions on the relevant Properties.

Negative EONIA Rate

The Issuer is exposed in certain circumstances to the risk that at any time the weighted average of overnight euro interbank offer rates for inter-bank loans (the **Euro Overnight Index Average Rate**) will be less than zero. Pursuant to the Cash Management Agreement, the Account Bank agreed to pay to the Issuer interest on amounts standing to the credit of the Issuer Accounts held with it by the Issuer at the rate set by the Account Bank from time to time. However, if at any time the Euro OverNight Index Average Rate is less than zero the Issuer will be required to pay to the Account Bank such additional charges or fees for holding funds as the Account Bank may notify the Issuer from time to time.

B. CONSIDERATIONS RELATING TO TAX

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the **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.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. 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 (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. The Amending Directive requires Member states to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would 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.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

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 Savings Directive or any law implementing or complying with, or introduced in order to conform to such 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 could apply in certain circumstances 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 concluding swap transactions and/or the purchases or sales of securities (such as 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 Notes and the Class X Certificates 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 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 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.

Joint statements issued by participating member states indicate an intention to implement the FTT by 1 January 2016. However, full details are not available and further changes could be made prior to adoption.

However, the FTT proposal remains subject to negotiation between the participating member states and the scope of any such tax is uncertain. Additional EU member states may decide to participate. Prospective holders of the Notes and Class X Certificates are advised to seek their own professional advice in relation to the FTT.

Withholding Tax under the Notes and the Class X Certificates

In the event that any withholding or deduction for or on account of any taxes is imposed in respect of payments to Noteholders of any amounts due under the Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of such withholding or deduction. However, in such circumstances, the Issuer may, in accordance with Condition 7.3 (Optional redemption for tax and other reasons) of the Notes, redeem the Notes where such requirement cannot be avoided by the Issuer taking reasonable measures available to it. See the section "*United Kingdom Taxation*" for a discussion of United Kingdom withholding taxes in relation to interest payments under the Notes.

In the event that any withholding or deduction for or on account of any taxes is imposed in respect of payments to Class X Certificateholders of any amounts due under the Class X Certificates, neither the Issuer nor any other person is obliged to gross up or otherwise compensate Class X Certificateholders for the lesser amounts the Class X Certificateholders will receive as a result of such withholding or deduction.

UK taxation treatment 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 Tax Regulations**)), and as such should be taxed only on the amount of its "retained profit" (as that term is defined in the Securitisation Tax Regulations), for so long as it satisfies the conditions of the Securitisation Tax Regulations. However, if the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Tax

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 Prospectus and as such adversely affect the tax treatment of the Issuer and consequently payment on the Notes and Class X Certificates.

Foreign Account Tax Compliance Act withholding may affect payments on the Notes or Class X Certificates

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 (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 Notes and the Class X Certificates are in global form and held within Euroclear or Clearstream, Luxembourg (together, the **ICSDs**), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. 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 Notes and the Class X Certificates are discharged once it has made payment to, or to the order of, the Common Safekeeper or Common Depository for the ICSDs (as registered holder of the Notes or the Class X Certificates) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction that has entered into an intergovernmental agreement with the United States (an **IGA**) generally are not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make. Prospective investors should refer to the section entitled “*Foreign Account Tax Compliance Act*”.

The intra-group transfer of the Tower of London Property and the Westminster Property gave rise to certain contingent tax liabilities which, if crystallised, could affect the Senior Group’s ability to meet its payment obligations under the Senior Facility Agreement and could affect amounts realised on enforcement

On 16 February 2015, the Tower of London Property and the Westminster Property were transferred to Carolia Tower Hotel Limited and Carolia Westminster Hotel Limited, respectively. These transfers and the historical tax position of the Senior Group give rise to certain contingent tax liabilities, in particular, potential “clawback” and “degrouching charges”. Should these contingent tax liabilities crystallise, they could have an impact upon the ability of the Senior Borrowers to make payments under the Senior Loans (and so impact upon the ability of the Issuer to make payments on the Notes and the Class X Certificates) and could affect the amounts realised on enforcement.

Broadly speaking, degrouching charges for the purposes of corporation tax on chargeable gains (**CGT**) arise where an asset held, otherwise than as trading stock, has been transferred between members of the same group and the company which acquired the asset then ceases to be a member of that group within six years of the date of the acquisition. If, when it leaves the group, that company, or another company with which that company is grouped for tax purposes and which is also leaving the group, owns, otherwise than as trading stock, the asset which was transferred intra-group, then the company

leaving the group is treated as if, immediately after it acquired the asset intra-group, it had sold and reacquired the asset for market value at that time. The broad effect of this deemed disposal and reacquisition is to bring into charge to tax any gain deferred on the earlier intra-group transfer.

Where two companies cease to be members of the group at the same time, no tax charge will arise in relation to any previous intra-group transfer of assets between those two companies if, broadly speaking, either (i) the companies are both grouped for tax purposes with another company on the date of the acquisition and remain so grouped with that other company until immediately after they cease to be members of the group; or (ii) one of the companies is a subsidiary (as defined for the purpose of the applicable tax legislation) of the other company on the date of the acquisition and remains a subsidiary of the other company until immediately after the companies cease to be members of the group.

Similar provisions apply in relation to stamp duty land tax (**SDLT**), which provides for a clawback of SDLT relief claimed on an intra-group transfer of a UK real estate asset where the company which acquired the asset then ceases to be a member of that group within three years of the date of the acquisition. Again, if the two companies involved leave the group at the same time, then generally no clawback of SDLT relief should arise.

The contingent CGT degrouping charge and SDLT claw-back charge which arise as a result of the historic tax position of the Senior Group and the transfers of the Tower of London property and the Westminster Property are approximately £56,000,000 and £18,500,000, respectively.

Advice has been obtained as to how security should be enforced (to the extent necessary) in order to avoid or mitigate such charges. For example, a sale of the properties should not result in a CGT degrouping charge or SDLT claw-back charge for the Senior Borrowers. As such, it is expected to be possible to avoid or mitigate these contingent tax liabilities. However, it is possible that enforcing security in a way which avoids or mitigates these contingent liabilities may, depending on the specific circumstances, have an adverse effect on the amounts realised for the benefit of the Noteholders and the Class X Certificateholders.

C. CONSIDERATIONS RELATING TO REGULATORY AND LEGAL ISSUES

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes and Class X Certificates

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 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 Notes or the Class X Certificates are responsible for analysing their own regulatory position and none of the Issuer, the Issuer Security Trustee, the Note Trustee, the Agents, the Lead Manager, the Arranger, Loan Seller or the Retention Holder makes any representation to any prospective investor or purchaser of the Notes or the Class X Certificates regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

In particular, 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 Undertakings for the Collective Investment of Transferable Securities 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 loan seller 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 Notes and/or the Class X Certificates acquired by the relevant investor.

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

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 Loan Seller nor the Lead Manager nor the Arranger makes any representation that the information described above is sufficient in all circumstances for such purposes.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes or the Class X Certificates. 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 Notes or the Class X Certificates. With respect to the commitment of the Retention Holder to retain a material net economic interest in the securitisation and with respect to the information to be made available, after the Closing Date, by the Servicer or the 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 Loans and the Retained Tranche*" and "*Cash Management*". The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Notes and the Class X Certificates 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 Notes and the Class X Certificates in the secondary market.

Implementation of and/or changes to the Basel III framework may affect the capital requirements and/or the liquidity associated with a holding of the Notes and Class X Certificates for certain investors

The Basel Committee on Banking Supervision approved significant changes to the Basel II regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as **Basel III**).

In particular, 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).

It is intended that member countries will implement the new capital standards and the new liquidity coverage ratio as soon as possible (with provision for phased implementation, meaning that the measure will not apply in full until January 2019) and the net stable funding ratio from January 2018. Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee on Banking Supervision has also published a consultative document setting out certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 15 per cent.

Implementation of the Basel III framework and any changes as described above may have an impact on the capital requirements in respect of the Notes and the Class X Certificates and/or on incentives to hold the Notes and the Class X Certificates for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes and Class X Certificates.

In general, investors should consult their own advisors as to the regulatory capital requirements in respect of the Notes and the Class X Certificates and as to the consequences for and effect on them of any changes to the existing Basel framework (including the changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Changes of law

The structure of the issue of the Notes and the Class X Certificates and the ratings which are to be assigned to the Notes are based on English law, Dutch law, and various regulatory, accounting and administrative practices in effect as at the date of this Prospectus.

Regard has also been had to the expected tax treatment of all relevant entities under United Kingdom tax law and the published practice of the tax authorities of HM Revenue & Customs (**HMRC**) as at the date of this Prospectus.

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 HMRC or the tax authorities of any other relevant taxing jurisdiction, after the date of this Prospectus nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Notes and Class X Certificates. 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 Noteholders’ or the Class X Certificateholders’ entitlement to receive) payments on the Notes or the Class X Certificates (as applicable) 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.

No regulation of the Issuer by any regulatory authority

The Issuer is not required to be licenced 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 Notes and the Class X Certificates.

Regulatory changes under the Dodd-Frank Act

The Issuer is relying on an exclusion or exemption under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7). The Issuer was structured so as not to constitute a “covered fund” for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted 21 July 2010 (the **Dodd-Frank Act**, and such statutory provision together with such implementing regulations, the **Volcker Rule**). The Volcker Rule generally prohibits “banking entities” (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a “covered fund” and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 1 April 2014, but is subject to a conformance period scheduled to conclude on 21 July 2015, during which banking entities must make good-faith efforts to conform their activities and investments to the Volcker Rule. Under the Volcker Rule, unless jointly determined otherwise by specified U.S. federal regulators, a “covered fund” does not include an issuer that may rely on an exclusion or exemption from the definition of “investment company” under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. The general effects of the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

Ongoing Investigations concerning LIBOR

Regulators and law-enforcement agencies from a number of governments, including entities in the United States, Japan, Canada and the United Kingdom, have been conducting civil and criminal investigations into whether the banks that contributed to the British Bankers' Association (the **BBA**) in connection with the calculation of daily LIBOR may have underreported or otherwise manipulated or attempted to manipulate LIBOR, or improperly colluded with others in the process of reporting LIBOR. Investigations remain ongoing and it cannot be assured that there will not be findings of rate setting manipulation or collusion, or that improper manipulation of, or collusion in, LIBOR or other similar inter-bank lending rates will not occur in the future.

Based on a review conducted by the Financial Conduct Authority of the United Kingdom (the **FCA**) and a consultation conducted by the European Commission, proposals have been made for governance and institutional reform, regulation, technical changes and contingency planning. In particular: (a) new legislation has been enacted in the United Kingdom pursuant to which LIBOR submissions and administration are now “regulated activities” and manipulation of LIBOR has been brought within the scope of the market abuse regime; (b) legislation has been proposed which if implemented would, among other things, alter the manner in which LIBOR is determined, compel more banks to provide LIBOR submissions, and require these submissions to be based on actual transaction data; and (c) LIBOR rates for certain currencies and maturities are no longer published daily. In addition, pursuant to authorization from the FCA, ICE Benchmark Administration Limited (formerly NYSE Euronext Rate Administration Limited) took over the administration of LIBOR from the BBA on 1 February, 2014. Any new administrator of LIBOR may make methodological changes to the way in which LIBOR is calculated or may alter, discontinue or suspend calculation or dissemination of LIBOR.

The changes that will ultimately be made to LIBOR, the effect of any such changes or any other reforms to LIBOR that may occur, or the effect of the ongoing LIBOR investigations referred to above cannot be predicted at this time. These matters may result in a sudden or prolonged increase or decrease in reported LIBOR rates, LIBOR being more volatile than they have been in the past and/or fewer loans utilising LIBOR as an index for interest payments. In addition, questions surrounding the integrity in the process for determining LIBOR may have other unforeseen consequences, including potential litigation against banks and/or obligors on loans. Any uncertainty in the value of LIBOR or the development of a market view that LIBOR was manipulated or may be manipulated may adversely affect the liquidity of the Notes in the secondary market and their market value.

D. CONSIDERATIONS RELATING TO THE SENIOR LOANS AND THE SENIOR LOAN SECURITY

The Senior Loans are the Issuer's only material assets

Payments in respect of the Notes and the Class X Certificates are dependent on, and limited to, the receipt of funds under the two Securitised Loans. Since the two Securitised Loans are both fully cross-guaranteed and secured and were advanced pursuant to a single Senior Facility Agreement and therefore share many important common terms, the Securitised Loans effectively constitute a single loan from the perspective of the Issuer. Accordingly, the Issuer's assets will not include any asset diversification, except insofar as the Senior Loans are secured on the Closing Date by three hotel properties located in two countries, the United Kingdom and the Netherlands. As a result of having no significant assets other than the Senior Loans, the lack of diversification of the type of property securing the Senior Loans, the minimal diversification of geographic location, and the direct or indirect ownership of the Properties by the Sponsors, the Issuer will have a significantly greater exposure to each of the potential risks inherent in investing in commercial mortgage loans, some of which are described in this Prospectus, than it would have if it held a more diverse portfolio of assets.

The lack of diversification of sponsorship increases the risk that financial or other difficulties experienced by the Sponsors could have a greater impact on the Notes. For example, if a person that owns or controls several commercial properties, including the Properties, experiences financial difficulty at any one of those properties, it could defer maintenance at a Property to pay debt service or other expenses at another property. It cannot be assured that the lack of asset and sponsorship diversification in the Issuer will not adversely affect any investment in the Notes or, as applicable, the Class X Certificates.

Prepayment of the Senior Loans

The Senior Borrowers may be obliged or may choose, in certain circumstances, to prepay the Senior Loans in whole or in part prior to the Final Senior Loan Repayment 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 "*Description of the Facility Agreements—The Senior Facility Agreement*" below.

A prepayment in respect of the Senior Loans will be dependent upon sufficient funds being received by a Senior Borrower in respect of such prepayment. Amounts received by the relevant Senior Borrower in respect of Insurance Proceeds (other than in respect of (among others) operating losses or business interruption), Recovery Proceeds (other than in respect of (among others) claims against the Senior Group or replacement or repair of Senior Group assets) and Expropriation Proceeds and Permitted Property Disposal Prepayment Proceeds will be paid into the Senior Prepayment Account of the relevant Senior Obligor to be applied in accordance with the Senior Facility Agreement. These events may be beyond the control of the Senior Borrowers and are beyond the control of the Issuer.

In addition a Senior Borrower, if Senior PledgeCo (acting on behalf of such Senior Borrower) gives the Senior Facility Agent not less than five Business Days' prior notice, may prepay the whole or any part of a Senior Loan (but, if in part, subject to minimum repayment of £1,000,000 and integral multiples of £500,000 in respect of the Senior GBP Loan or €1,000,000 and integral multiples of €500,000 in respect of the Senior EUR Loan) (or the outstanding amount of the Senior GBP Loan or Senior EUR Loan, as applicable).

Any such involuntary or voluntary prepayment may result in the Notes being prepaid earlier than anticipated and may reduce amounts distributed in respect of the Class X Certificates. Refer to the section entitled "*Yield, prepayment and maturity considerations of the Notes*" for further details.

Refinancing risk

The Senior Loans may have a substantial remaining principal balance as at their scheduled maturity date, being the Final Senior Loan Repayment Date.

Unless previously repaid, the Senior Loans will be required to be repaid by the relevant Senior Borrowers in full on the Final Senior Loan Repayment Date which, pursuant to the terms of the Senior Facility Agreement, may be extended by Senior PledgeCo for up to two one year periods under the Extension Options). If Senior PledgeCo wishes to exercise the First Extension Option, the Final Senior Loan Repayment Date will be extended to the date which is 12 months after the Initial Senior Loan Repayment Date. If Senior PledgeCo wishes to also exercise the Second Extension Option, the Final Senior Loan Repayment Date will be extended to the date which is 24 months after the Initial Senior Loan Repayment Date.

The ability of a relevant Senior Borrower to repay the Senior Loans in its entirety on the Final Senior Loan Repayment Date (as may be extended) 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 relevant Senior Borrower (secured against some or all of the relevant Properties) sufficient funds to enable repayment of the Senior Loans. 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 has been an acute shortage of credit to refinance loans such as the Senior Loans. 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 Senior Borrowers will be able to refinance the Senior Loans prior to the Final Note Maturity Date.

If the Senior Borrowers cannot refinance the Senior Loans, they may be forced, in unfavourable market conditions, into selling some or all of the Properties in order to repay the Senior Loans. Failure by the Senior Borrowers to refinance the Senior Loans or to sell the Properties on or prior to the Final Senior Loan Repayment Date may result in the Senior Borrowers defaulting on the Senior Loans and in their insolvency. See also “*Considerations relating to the insolvency of the Senior Obligors*”. In the event of such a default or insolvency, the Noteholders, or the holders of certain Classes of Notes or Class X Certificates, may receive by way of principal repayment an amount less than the then Principal Amount Outstanding on their Notes and the Issuer may be unable to pay in full interest and other amounts due on the Notes.

Security over bank accounts under English law

Senior PledgeCo and each Senior Borrower has, in accordance with the terms of the Senior Facility Agreement, established a number of bank accounts into which, among other things, (indirectly or directly) net revenue and Disposal Proceeds in respect of the relevant Properties must be paid (as to which, see the section entitled “*Description of the Facility Agreements—The Senior Facility Agreement*”). Senior PledgeCo and each Senior Borrower has, pursuant to the terms of the relevant Transaction Security Document granted security over all of its interests in its relevant accounts, which security is, in the case of the Security governed by English law, 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 Senior Facility Agreement provides that the Senior Facility Agent is to have sole signing rights over the Collection Accounts, the Cash Trap Accounts, the Equity Cure Accounts and the Senior Prepayment Accounts, there is a risk that, in the case of the Security governed by English law, if the Senior Facility Agent or the Common Security Agent (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

Lenders typically look to the payment and performance history of loans and their related mortgaged properties and pledged collateral and borrowers as an indicator of future performance and in assessing risks of default. The Senior Loans were originated on 17 December 2014 and the first interest payment date under the Senior Loans was 15 May 2015. Consequently, the Senior Loans have very limited payment history and investors in the Notes and the Class X Certificates cannot be assured that payments will be made on the Senior Loans.

Historical Financial Information

Historical financial information is included in this Prospectus relating to Carolia Amsterdam Hotel B.V. and the Dutch Property. Such information may not be indicative of future results of operations. Accordingly, the summary historical financial information is provided for illustrative purposes.

There may be variations between future operating results and the summary historical financial information included in this Prospectus and such variations may be material and be caused by various factors. The Issuer does not intend, and undertakes no obligation, to update the unaudited summary historical financial information to reflect future operating results.

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

Representations and warranties given by the Senior Obligors under the Senior Facility Agreement are to some extent qualified by the actual knowledge of the Senior Obligors giving such representation or warranty. While reliance on representations and warranties is only commercially possible to the extent that the Senior Obligors are factually 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 Senior Obligors' actual knowledge of the relevant risk represented which might be difficult if not impossible to demonstrate successfully in practice.

Risks relating to limited activity covenants of the Senior 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 a 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 Senior Facility Agreement contains provisions that require the Senior Obligors to conduct themselves in accordance with certain special purpose entity covenants. However, there can be no assurance that all or most of the special purpose entity covenants will be complied with by the Senior Obligors (however, a breach of covenant would, in certain circumstances, lead to a Senior Loan Event of Default) and even if all or most of such restrictions have been complied with by the Senior Borrowers there can be no assurance that the Senior Borrowers will not nonetheless become insolvent. The Senior Obligors that do not own Properties have undertaken not to carry on any business other than the ownership of other Senior Obligors. The Senior Borrowers have undertaken not to carry on any business other than the ownership, development and management of their respective Property or Properties. See “*Description of the Facility Agreements—The Senior Facility Agreement—Undertakings—General undertakings*”.

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

Limitations of Representations and Warranties Delivered by the Loan Seller

Neither the Issuer nor the Issuer Security Trustee has undertaken or will undertake any investigations, searches or other actions as to any Senior Borrower’s status, and each will rely instead solely on the warranties given by the Loan Seller in respect of such matters in the Loan Sale Agreement (see further “*Description of the Loan Sale Documents*”). If a material breach of any such warranty is not capable of remedy or is not remedied within the specified period, the Loan Seller will (i) indemnify on demand the Issuer against all losses, claims, demands, taxes and all other expenses or other liabilities incurred by the Issuer as a result of such material breach or (ii) repurchase the Securitised Loans together with any Senior Loan Security (see “*Description of the Loan Sale Documents—Securitised Loan Warranties*” below); provided that this shall not limit any other remedies available to the Issuer and/or the Issuer Security Trustee if the Loan Seller fails to indemnify the Issuer or repurchase the Securitised Loans and their Senior Loan Security when obliged to do so. However, if, in any such case, the Loan Seller fails to fulfil its obligations, this could lead to a reduction in the amounts payable by the Issuer or to losses in respect of the Notes.

The Senior Loan Security is shared between the Issuer and the Loan Seller

The Senior Loan Security has been granted in respect of the Senior Loans. As the Issuer will only be a lender under the Securitised Loans, it will only be entitled to the enforcement proceeds of the Senior Loan Security that pertain to the Securitised Loans (i.e. 95 per cent. of such enforcement proceeds). The Loan Seller, as holder of the Retained Tranche, will be entitled to the remaining 5 per cent. Similarly, every payment of principal and interest made under the Senior Loans to the Senior Lenders in their capacity as such will be distributed between the Issuer and the Loan Seller in the same proportion.

Risks relating to provisions governing timing on responses under the Senior Facility Agreement

The Senior Facility Agreement includes time limits for responding on certain matters. If any Senior Lender fails to accept or reject a request by Senior PledgeCo (or the Senior Facility Agent on behalf of Senior PledgeCo) for any consent, waiver or amendment under the terms of the Senior Finance Documents before the later of: (i) 10 Business Days from the date of such request being made; or (ii) the time period for Senior Lenders to respond as specified in that request, the Senior Lenders’ participations and commitment in the Senior Loans shall not be included when considering whether the consent of the Majority Senior Lender or all Senior Lenders (as applicable) has been obtained in respect of such request, amendment, release or waiver.

Considerations relating to the Mezzanine Loan and the Intercreditor Agreement

The indirect equity owners of the Senior Borrower have pledged their respective indirect ownership interests in the Senior Borrower, consisting of the shares of Senior PledgeCo, in order to secure the Mezzanine Loans. Following the closing date, the Mezzanine Loans were assigned to the Mint Mezzanine Issuer.

Mezzanine debt is debt that is incurred by the owner of direct or indirect equity in one or more borrowers and is secured by a pledge of the equity ownership interests in such borrowers. Because mezzanine debt is secured by the obligor's direct or indirect equity interest in the borrowers, such financing effectively reduces the value to the obligor of its economic stake in the related mortgaged property. The existence of mezzanine debt may reduce the excess cash flow from the Properties after the payment of debt service under the Senior Loans and may increase the likelihood that the owner of a Senior Borrower will permit the value or income producing potential of such property to fall and may create a greater risk that such Senior Borrower will default on the Senior loans.

Certain amendments, waivers or consents in respect of the Senior Finance Documents require, in addition to the consent of Senior Finance Parties in accordance with the terms of the Senior Finance Document (which discretion will be exercised generally by the Servicer or, as applicable, the Special Servicer) and to the rights of the Operating Advisors under the Servicing Agreement, the consent of the Majority Mezzanine Lenders to be made or given (see the section entitled "*Amendments and waivers*" within the sections entitled "*Description of the Facility Agreements*" and "*Description of the Intercreditor Agreement*" for further details).

Accordingly, notwithstanding that the Servicer or, as applicable, the Special Servicer (including, where applicable, upon the instruction of the Noteholders of any relevant Class) may wish to agree to an amendment, waiver or consent in respect of the Senior Finance Documents, certain amendments, waivers or consents may not be made or given unless the Majority Mezzanine Lenders under the Intercreditor Agreement have approved it (subject to the "snooze you lose" provisions of the Intercreditor Agreement and the Mezzanine Facility Agreement; see the section entitled "*Amendments and waivers*" within the sections entitled "*Description of the Facility Agreements—The Mezzanine Facility Agreement*" and "*Description of the Intercreditor Agreement*" for further details).

The Performance of the Senior Loans and the Properties depends in part on who controls the Senior Borrower and the Properties

The operation and performance of the Senior Loans will depend in part on the identity of the persons or entities who control the Senior Borrowers and the Properties. The performance of the Senior Loans may be adversely affected if control of the Senior Borrowers changes, which may occur, for example, by means of transfers of direct or indirect ownership interests in the Senior Borrowers.

The Senior Facility Agreement provides that if a change of control occurs in relation to a Senior Borrower, the Senior Obligor will be required to prepay the Senior Loans in an amount equal to the Senior Release Price. However generally, upon a Mezzanine Loan Event of Default, the Mezzanine Security Agent is entitled to enforce the security for the Mezzanine Loan, which includes a first fixed charge over the shares of the Mezzanine Borrower and of Senior PledgeCo, which are both indirect owners of the Senior Borrowers. If, as a result of such enforcement, the Sponsors cease to control, directly or indirectly, Senior PledgeCo, this will result in a change of control pursuant to the Senior Facility Agent requiring the Senior Borrower to repay the Senior Loans, unless, among other things, following the relevant Mezzanine Enforcement Action more than 50 per cent. of the issued share capital of the Mezzanine Borrower or, as applicable, Senior PledgeCo, is owned by a Mezzanine Approved Person, provided, among other things, that any such person is not a Prohibited Person under any Hotel Management Agreement. It is possible that the effect of this process is to negatively affect the operation of one or more Properties and the respective Senior Borrowers' ability to make payments on the Senior Loans in a timely manner or lead to other disruptive actions by the Senior Borrowers, the Sponsors, the Mezzanine Lenders or their respective affiliates. Further, it is possible that any such Mezzanine Approved Person could adversely impact the operation of the Properties.

Hedging

In certain circumstances, one or more of the interest rate hedging arrangements (including interest rate caps and swaps) entered into in accordance with the terms of the Senior Facility Agreement (the **Senior Borrower Hedging Arrangements**) may be terminated and a Senior Borrower may be unable to find a suitable replacement swap counterparty. Should a Senior Borrower Hedging Arrangement be terminated or should a swap counterparty otherwise fail to provide a Senior Borrower with all amounts owing to it on any payment date under the relevant Senior Borrower Hedging Arrangement, then such Senior Borrower may, and particularly during a period of high or volatile LIBOR or EURIBOR, have insufficient funds available to it to make payments of interest due under the Senior Facility Agreement. In the event of the insolvency of a swap counterparty, a Senior Borrower will be treated as an unsecured creditor of such swap counterparty.

To mitigate the risks posed by a deterioration in the credit rating of a particular swap counterparty, under the terms of the relevant Senior Borrower Hedging Arrangement, in the event that the swap counterparty fails to meet the Hedging Requisite Ratings, the swap counterparty will, in accordance with the terms of such Senior Borrower Hedging Arrangement, be required to take one of the following remedial measures within the time frame stipulated in such Senior Borrower Hedging Arrangement and at its own cost: (i) transfer an amount of collateral to the relevant Senior Borrower equal to 100 per cent. of the mark-to-market of the relevant transaction, or (ii) obtain a replacement counterparty that meets the required rating set out in the relevant Senior Borrower Hedging Arrangement. A failure by the relevant swap counterparty to take one of the remedial actions specified above within the time limit specified above shall constitute an additional termination event pursuant to the relevant Senior Borrower Hedging Arrangement with the relevant swap counterparty as the sole affected party (for the purposes of that additional termination event).

No assurance can be given that, at the time that a swap counterparty is required to comply with the obligations specified above, sufficient collateral will be available to it or that another entity with the required rating will be available or willing to become a replacement swap provider. Senior Borrower Hedging Arrangements are scheduled to terminate on the Initial Senior Loan Repayment Date. If the Senior Loan is not repaid on the relevant Final Senior Loan Repayment Date, interest rate fluctuation risk will be unhedged. See “*Description of the Cap Arrangements*” for further information.

Dutch law security considerations

Parallel Debt

Under Dutch law, it is uncertain as to whether security interests can be granted to a party other than the creditor of the claim which is purported to be secured by such security interests. For that reason, the Intercreditor Agreement provides for the creation of so called “parallel debt obligations”. Pursuant to the parallel debt obligations included in the Intercreditor Agreement, the Common Security Agent is entitled to the Common Security Agent Claim. The parallel obligation is secured by certain security interests in the Common Transaction Security that are governed by Dutch law. The parallel obligation structure may be subject to uncertainties as to its validity and enforceability. There can be no assurance that the parallel obligation structure will eliminate or mitigate the risk of enforceability of security interests which exists under Dutch law.

Third party security and guarantee

The security and guarantee granted by the Dutch Obligor under the relevant Common Security Document to which the Dutch Obligor is a party may also constitute security for third party debt (i.e. a party that is not a direct or indirect wholly-owned subsidiary of the Dutch Obligor).

Under Dutch law, a company is not restricted from giving third party security or guarantees provided that such company receives commensurate corporate benefit in giving the security or guarantee. In determining whether the granting of security or a guarantee is in the interest of a Dutch company, Dutch courts would not only consider the text of the objects clause in the articles of association (*statuten*) of the company but all relevant circumstances, including (i) whether the company

irrespective of the wording of the objects clause derives certain commercial benefits from the transaction in respect of which the security or guarantee was granted and (ii) the balance between the risk that the company is assuming and the benefit it derives from such transaction. In addition, if it is determined that there are no, or insufficient, commercial benefits from the transactions for the company that grants the security or guarantee, then such company (and any bankruptcy receiver) may challenge the enforcement of the security or guarantee, and it is possible that such challenge would be successful. Such benefit may, according to Dutch case law, consist of an indirect benefit derived by the company as a consequence of the interdependence of such company with the group of companies to which it belongs. In addition, it is relevant whether, as a consequence of the granting of the security or guarantee, the continuity of such company would foreseeably be endangered by the granting of such security or guarantee. It remains possible that even if such strong financial and commercial interdependence exists, the transaction may be declared void if it appears that the granting of the security or guarantee cannot serve the realization of the relevant company's objects or where it is determined that there is a material imbalance to the disadvantage of the company between the commercial benefit on the one hand and the risks on the other hand.

If a Dutch company grants security or a guarantee and that security or guarantee is not in the company's corporate interest, the security or guarantee may be nullified by the Dutch company, its receiver (*curator*) in bankruptcy (*faillissement*) and its administrator (*bewindvoerder*) in moratorium of payment proceedings (*surséance van betaling*) or otherwise and, as a consequence, not be valid, binding and enforceable against it.

Limitations on security over future receivables

Under the Dutch Security Agreements, the Dutch Obligor has pledged present and future rights. However, under Dutch law the pledge of a future right is not effective if the security provider, i.e. the Dutch Obligor, is declared bankrupt (*failliet verklaard*) or is granted a suspension of payments (*surséance van betaling*) prior to the moment such right comes into existence. Such future assets of the security provider will not form part of the security package but will form part of the bankrupt estate which is available to all creditors. This means that if the secured parties have any remaining claims after the proceeds of their other secured assets have been fully used, such claims will rank *pari passu* with all unsecured claims but after deduction of general bankruptcy costs and certain preferred claims for example tax claims.

Lease receivables are deemed to be future receivables which only come into existence after the lessor has complied with its obligations under the lease. Therefore, any lease receivables that will only come into existence or will only be acquired by the security provider after it is declared bankrupt or is granted a moratorium of payments will not be subject to the right of pledge created thereon and these lease receivables will fall into the bankrupt estate of the security provider. The security holder will therefore not have any right of preference in respect of the proceeds of these lease receivables.

In respect of bank accounts this applies to any moneys that are paid into the pledged bank account after the security provider is declared bankrupt or is granted a moratorium of payments, as such moneys will not be subject to the rights of pledge created thereon and will fall into the bankrupt estate of the security provider. The security holder will therefore not have any right of preference over these moneys. To the extent the claim pursuant to which those moneys were paid was itself pledged to the security provider, the security provider would, however, be able to collect these monies on the basis of that right of pledge.

E. CONSIDERATIONS RELATING TO THE INSOLVENCY OF THE ISSUER OR THE SENIOR OBLIGORS

Risks relating to the Senior Obligors

The Senior Obligors—which have been established under the laws of England or the Netherlands—are subject to the provisions of English or Dutch, as applicable, insolvency law provided that their “centre of main interests” for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000 (the **Centre of Main Interests**) is in England or the Netherlands respectively. The Senior Facility Agreement provides that each Senior Obligor must maintain its Centre of Main Interests in its jurisdiction of incorporation. Although the Senior Obligors have been established as limited purpose entities they may, nonetheless, become insolvent and subject to insolvency proceedings under English or Dutch law, as applicable.

The Senior Facility Agent or (as the case may be) the Common Security Agent (acting on relevant instructions) will have certain rights under the Senior Facility Agreement (which will be exercised by the Servicer or, as applicable, the Special Servicer, under the Servicing Agreement) if any of the Senior Obligors becomes insolvent and subject to insolvency proceedings, including certain rights to accelerate the Senior Loans and enforce the Senior Loan Security, subject to the terms of the Intercreditor Agreement. However, the rights of creditors of an insolvent English or Dutch company are limited by law.

In the event that the Securitised Loans are not repaid in full following the enforcement of the Securitised Loans and the related Senior Loan Security, the Issuer may not have sufficient resources to satisfy in full its obligations under the Notes and may not make any payments under the Class X Certificates.

English law 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 Notes and the Class X Certificates. Similarly, the Senior Obligors have entered into various Transaction Security Documents pursuant to which each Senior Obligor granted certain security in respect of certain of its obligations, including its obligations under the Senior Facility Agreement (as to which, see “*The key characteristics of the Loan Security*”).

In certain circumstances, including the occurrence of certain insolvency events in respect of the Issuer or a Senior Obligor, the ability to realise the Issuer Security and/or the relevant Senior 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 any of the Senior Obligors becoming insolvent, there can be no assurance that the Issuer and/or one or more of the Senior Obligors will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders and the Class X Certificateholders 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 Senior 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 (the **Insolvency Act**), certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Issuer Deed of Charge/relevant Transaction Security Document may be used to satisfy any claims of unsecured creditors. While certain of the covenants given by the Issuer and the Senior Obligors in the Issuer Transaction Documents and the Senior Finance Documents, respectively, are intended to ensure it has no significant creditors other than the secured creditors under the Issuer Deed of Charge or, as applicable, the Transaction Security Documents, it will be a matter of fact as to whether the Issuer or, as applicable, the relevant Senior

Obligor has any other such creditors at any time. There can be no assurance that the Noteholders and/or Certificateholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Issuer Security or, as applicable, the Senior Loan Security.

Liquidation expenses

On 6 April 2008, a provision in the Insolvency Act 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 Senior Obligor, respectively, floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Issuer Deed of Charge or the relevant Transaction Security Document will be reduced by at least a significant proportion of any liquidation expenses. There can be no assurance that the Noteholders or Class X Certificateholders will not be adversely affected by such a reduction in floating charge realisations.

Administration

In certain circumstances an administrator may be appointed in relation to a company, other than the Dutch Obligor, 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) 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 5 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 a Senior Obligor, the enforcement of the Senior Loan Security by the Common 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.

Dutch law insolvency considerations

The Dutch Obligor is incorporated in the Netherlands. Any insolvency proceedings concerning the Dutch Obligor would likely be based on Dutch insolvency law. Under certain circumstances, bankruptcy proceedings may also be opened in the Netherlands in accordance with Dutch law over the assets of companies that are not established under Dutch law.

The following is a brief description of certain aspects of Dutch insolvency law. There are two primary insolvency regimes under Dutch law: the first, moratorium of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor’s indebtedness and enable the debtor to continue as a going concern. The second bankruptcy (*faillissement*) is primarily designed to liquidate assets and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act. In practice, a suspension of payments often results in bankruptcy. A general description of the principles of both insolvency regimes is set out below.

An application for a moratorium of payments can only be made by the debtor itself. Once the request for a moratorium of payments is filed, a court will immediately (*dadelijk*) grant a provisional moratorium and appoint an administrator (*bewindvoerder*). A meeting of creditors is required to decide on the definitive moratorium. If a draft composition (*ontwerp akkoord*) is filed simultaneously with the application for moratorium of payments, the court can order that the composition will be processed before a decision about a definitive moratorium. If the composition is accepted and subsequently ratified by the court (*gehomologeerd*), the provisional moratorium ends. The definitive moratorium will generally be granted unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors’ meeting or more than one-third in number of creditors represented at such creditors’ meeting) of the unsecured non-preferential creditors withholds its consent. The moratorium of payments is only effective with regard to unsecured non-preferential creditors. Under Dutch law, secured and preferential creditors (including tax and social security authorities) may enforce their rights against assets of the company in moratorium of payments to

satisfy their claims as if there were no moratorium of payments. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. However, the court may order a “cooling down period” (*afkoelingsperiode*) for a maximum period of four months during which enforcement actions by secured or preferential creditors are barred (see further below). Also in a definitive moratorium of payments, a composition (*akkoord*) may be offered to creditors. A composition will be binding on all unsecured and non-preferential creditors if it is approved by (i) a majority in number of the creditors represented at the creditors’ meeting, representing at least 50 per cent. in amount of the claims that are admitted for voting purposes and (ii) subsequently ratified (*gehomologeerd*) by the court.

In a bankruptcy, a composition (*akkoord*) may be offered to the unsecured and non-preferential creditors. Such a composition will be binding upon all unsecured and non-preferential creditors, if (i) it is approved by a simple majority of the meeting of the recognized and admitted creditors representing at least 50 per cent. of the amount of the recognized and of the admitted claims and (ii) it is subsequently ratified (*gehomologeerd*) by the court.

Enforcement of security interests may be limited by Dutch law.

Pursuant to the Transaction Security Documents, the Common Security Agent may enforce the security interests created pursuant to such security documents in case of the occurrence of certain events.

In general, mortgages and pledges rank above other rights of priority, including the general priority right of the Dutch tax authorities on the tax debtor’s assets. However, Dutch law provides for exceptions. For example, under certain circumstances, the Dutch tax authorities’ priority right ranks above a non-possessory pledge on inventory (not including stock (*voorraden*)) found on the premises of the tax debtor (*bodemzaken*).

In addition, a pledgee is obliged to notify the Dutch tax authorities of (i) its intention to exercise its rights under a pledge on moveable property (not including stock) found on the premises of the tax debtor (*bodemzaken*) within the meaning of the Tax Collection Act (*Invorderingswet 1990*), or (ii) its intention to perform, to procure in any way the performance of, or cooperate with any legal or factual act with respect to such property which could prejudice the Dutch tax authorities’ priority right to such property ((i) and (ii) together: “exercise of its security rights”). Following such notification, a statutory waiting period of up to four weeks starting from the date of notification has to be observed. During this waiting period the Dutch tax authorities may exercise their priority right in respect of such specific property for certain tax debts (*bodemvoorrecht*). Failure to notify the Dutch tax authorities or the exercise of its security rights within the aforementioned waiting period, may result in the pledgee having to pay an amount equal to the value of the relevant property or — in the case of an enforcement — the proceeds from enforcement, provided that such amount payable shall not exceed the amount of the relevant taxes due, whether already assessed or not. After the four week waiting period has lapsed, or upon an earlier notification by the Dutch tax authorities that they will not exercise their priority right, a pledgee may exercise its security rights. However, the pledgee may only exercise such security rights during the four weeks following the lapse of the waiting period, or the date of the notification from the Dutch tax authorities, as the case may be. After the four week exercise period has ended, the aforementioned limitations are applicable again and the pledgee will only be able to exercise its security rights with respect to such property, after a new notification to the Dutch tax authorities and observance of a new waiting period.

Enforcement of security rights in a Dutch court is subject to Dutch rules of civil procedure. These rules may have a compulsory nature from which may not be deviated. In addition, foreclosure on Dutch law security rights (including allocation of the proceeds) is subject to Dutch law.

Due to the mandatory foreclosure procedures the proceeds of the sale of any secured assets may be limited.

Timing of enforcement

Under Dutch law, if a company is declared bankrupt (*failliet verklaard*) or is granted a moratorium of payments (*surséance van betaling*), the following time limits may apply:

- a) a mandatory “cool-off” period of up to a maximum period of four months in respect of either a bankruptcy or a moratorium of payments (i.e. if a bankruptcy immediately follows a moratorium of payments, the maximum period will be eight months), which would delay the exercise of the security rights (although the right to collect any rights and receivables by the security holder would not be delayed or affected by this “cool-off” period); and
- b) the security holder may be obliged to enforce its security rights within a reasonable period as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in case of bankruptcy of that company. However, if the security holder fails to take any such enforcement action within a reasonable period of time, the bankruptcy trustee may sell the assets himself in the manner provided for in the Dutch Bankruptcy Code. In this case, the security holder will still be entitled to any proceeds of such enforcement by preference but only after deduction of general bankruptcy costs and subject to the satisfaction of higher ranking claims of creditors.

In addition, in respect of the foreclosure procedure of a right of mortgage over real property, the following timing limitations which cannot be waived, also apply.

Transfer of voting rights

The shareholder of the Dutch Obligor has granted a disclosed pledge over all its existing and future shares in the Dutch Obligor and share rights relating to these shares in favour of the Common Security Agent. This share pledge contains a conditional transfer of voting rights. Although there is broad support in Dutch legal literature that a conditional transfer of voting rights and approval thereof is valid, it is not entirely certain whether a transfer of voting rights under a condition precedent is valid and effective in view of the text of section 2:89 of the Dutch Civil Code and applicable provisions (if any) of the articles of association restricting the duration of the validity of the approval thereof. Therefore, there is a risk that the voting rights do not transfer to the Common Security Agent. Consequently, the Common Security Agent will not be able to make use of the voting rights.

Undisclosed Pledge

The Dutch Obligor granted, among others, an undisclosed pledge over the lease receivables arising under the lease agreement with Sixt B.V. (a sub-tenant of the Dutch Obligor) in favour of the Common Security Agent. In order to enforce an undisclosed right of pledge (*stil pandrecht*), it should be disclosed by giving notification thereof to the debtor of the relevant receivable or claim. Such notification may also be validly given after bankruptcy or moratorium of payments of the pledgor. After notification to the debtor of the pledge to the Common Security Agent, the debtor can only validly pay to the Common Security Agent. Payments made by the debtor to the Dutch Obligor prior to notification but after bankruptcy or suspension of payments in respect of the Dutch Obligor having been declared, will be part of the Dutch Obligor’s estate. Based upon case law in case of bankruptcy of the Dutch Obligor, the Common Security Agent will have the right to recover any such amounts by preference (*bij voorrang*) on the proceeds of the pledged receivables. Such proceeds cannot be collected until a provisional distribution list (*tussentijdse uitdelingslijst*), if any, and the distribution list (*uitdelingslijst*) has become final and the Common Security Agent would in such event have to share in the general bankruptcy costs. This may affect the ability of the Senior Borrowers to repay the Senior Loans and in turn may impact the Issuer’s ability to make payments to Noteholders and to Class X Certificateholders.

New insolvency legislation

Various proposals are being prepared to improve specific parts of the current insolvency regime. The Business Continuity Act I provides for a statutory basis for the appointment of a silent administrator and the facilitation of pre-packaged arrangements. The Dutch Council of State (*Raad van State*) has given its advice in respect of the Business Continuity Act I and it is expected to be submitted to the Dutch Parliament in the first quarter of 2015.

The Business Continuity Act II will introduce a statutory regime governing pre-insolvency schemes (including a cram-down and cram-up by the court regarding dissenting and non-participating parties). In short, the bill introduces a statutory procedure to bind creditors and/or shareholders, or any class of them, to a composition (*akkoord*) amending the rights of creditors and/or shareholders with the approval of a Dutch court. This can be done without having to initiate formal insolvency proceedings such as bankruptcy (*faillissement*) or suspension of payments (*surseance van betaling*). The Minister expects to send a proposal for the Business Continuity Act II to the Dutch Council of State for advice in the first quarter of 2015.

In addition, the Dutch legislator is also preparing the Business Continuity Act III which aims to introduce provisions to further prevent insolvencies, to facilitate the continuity of the business of bankrupt entities by its administrator (*curator*) and to improve the chance of a successful relaunch of businesses out of bankruptcy. A proposal for the Business Continuity Act III is currently being discussed with relevant stakeholders.

At this point, the exact outcome and consequences of the amendments to the insolvency regime are uncertain. The final legislation may affect arrangements with secured creditors in an enforcement situation of the security and consequently the Issuer's ability to make payments to the Noteholders and the Class X Certificateholders.

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 a Senior Loans or the related Senior Loan Security from the Senior 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 Senior Loans or the related Senior 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 Notes and on the Class X Certificates.

Risks Relating to Other Indebtedness, Liabilities and Financings of the Senior Borrowers or Senior Obligors.

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

The Senior Facility Agreement provides limitations on the right of the Senior Borrowers and other Senior Obligors to incur additional debt, on either a secured or unsecured basis, without the consent of the lenders. However, the Senior Facility Agreement permits these entities to incur various specified types of indebtedness to third parties including indebtedness arising under the Mezzanine Facility

Agreement and subordinated intra-group indebtedness. In particular, as permitted under the terms of the Senior Facility Agreement, each Senior Obligor provided a guarantee with respect to the repayment obligations of the Mezzanine Borrower under the Mezzanine Facility Agreement.

For more detail in relation to all of the aforementioned, see “*Description of the Facility Agreements—The Mezzanine Facility Agreement*” below.

Risks relating to litigation

There may be pending or threatened legal proceedings against a Senior Obligor, and/or their respective affiliates arising out of ordinary business of such Senior Obligor.

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

Upon enforcement of Senior Loan Security, any sale of the Properties or Senior Borrowers may constitute a relevant transfer for the purposes of the TUPE Regulations in relation to the employees of the Senior Borrowers which may affect the price obtained on enforcement

The Senior Borrowers have employees (in respect of the Dutch Obligor, please see the specific risk factor below) which, upon any enforcement of the Common Transaction Security by the Common Security Agent where the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended by Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 (the **TUPE Regulations**) apply, will need to be taken into account by prospective purchasers. The TUPE Regulations may apply where either the Properties or the Senior Borrowers were proposed to be sold and, in such a scenario, the employees who work within the business may automatically transfer to the prospective purchaser with their terms and conditions and continuity of service preserved under the TUPE Regulations. The financial amount of possible redundancy payments may vary as follows: assuming 323 employees in the UK (all of whom are based in London) on an average annual salary of £24,000 (note that each employee on a variable contract has been assumed to earn an average annual salary equal to the salary earned by a full time employee), and assuming an average employee age of 32, with assumed average length of service of two years, estimated total statutory redundancy liabilities could be in the region of £275,000 to £325,000. The exact amount of redundancy payments will depend on a number of factors (as highlighted above) at the time of any such claim and where employees are older and/or have a longer period of service, the amount will be higher. This could affect the price which any prospective purchaser would be willing to pay which could affect the level of enforcement proceeds obtained by the Common Security Agent which, in turn, may affect the ability of the Senior Borrowers to repay the Senior Loans and in turn may impact the Issuer’s ability to make payments to Noteholders and to Class X Certificateholders.

Upon enforcement of the mortgage security over the Dutch Property, the sale of the Dutch Property may constitute a transfer of undertaking for the purposes of the Dutch TUPE Regulations in relation to the employees of the Dutch Obligor which may affect the price obtained on enforcement

The Dutch Obligor has granted, in favour of the Common Security Agent, a mortgage right over the Dutch Property. The Dutch Obligor has employees which, upon any enforcement of the mortgage security over the Dutch Property by the Common Security Agent where the rules on a transfer of undertaking pursuant to Articles 7:662 *et seq* of the Dutch Civil Code (the **Dutch TUPE Regulations**) apply, will need to be taken into account by prospective purchasers. The Dutch TUPE Regulations may apply where the Dutch Property were proposed to be sold and, in such a scenario, the employees who work within the business may automatically transfer to the prospective purchaser with their terms

and conditions and continuity of service preserved under the Dutch TUPE Regulations. The financial amount of possible redundancy payments may vary, for example, assuming that prior to 1 July 2015 the employment agreements of 297 employees in the Netherlands are terminated, an estimated salary of €2,000 gross a month (including all other structural emoluments) per employee, and assuming an average employee age between 35 and 45, with assumed averaged length of service of 5 years, with a correction factor of 1, the estimated total liability could be in the region of €2,970,000 gross taken into account the Cantonal Court Formula currently used by Dutch courts. Due to a change in legislation, as of 1 July 2015 the Cantonal Court formula will no longer be used by the Dutch courts. Instead, a transition fee is due in case of a termination, which transition fee will be considerably less than the severance payment based on the Cantonal Court formula. The financial amount of possible transition fees may vary as follows: assuming that after 1 July 2015 the employment agreements of 297 employees in the Netherlands are terminated, an estimated salary of €2,000 gross a month (including all other structural emoluments) per employee, and assuming an average employee age between 35 and 45, with assumed averaged length of service of 5 years, the estimated total liability could be in the region of €990,000 gross taken into account the new statutory transition fee formula. The exact amount of redundancy payments or transition fees will depend on a number of factors (as highlighted above) at the time of any such claim and where employees are older and/or have a longer period of service, the amount may be higher. It should be noted however that the employment agreements of the employees that transfer pursuant to the Dutch TUPE Regulations can in principle not be terminated in the context of a transfer of undertaking. The above could affect the price which any prospective purchaser would be willing to pay which could affect the level of enforcement proceeds obtained by the Common Security Agent which, in turn, may affect the ability of the Senior Borrowers to repay the Securitised Loans and in turn may impact the Issuer's ability to make payments to Noteholders and to Class X Certificateholders.

The following is a brief description of the substantial differences between UK and Dutch TUPE regulations

A transfer of only an activity (without a transfer of assets and/or employees) will not qualify as a TUPE in the Netherlands and may qualify as a TUPE transfer in the UK. In the UK, only employees will transfer under TUPE which would otherwise be terminated by the transfer. In the Netherlands, this is not decisive. In the UK, it is possible in practice to amend the employment terms and conditions by providing a package of benefits and entitlements to the employees, provided it is not (on the whole) detrimental to the employees. In the Netherlands, this is in principle not possible. In the Netherlands, rights and obligations relating to pensions also transfer, unless an exception applies. In the UK, occupational pensions schemes are expressly excluded from the operation of TUPE, although certain retirement benefits do transfer. In the Netherlands, the employment agreements of the employees that transfer pursuant to the Dutch TUPE legislation cannot be terminated in the context of a transfer of undertaking. In the UK, the employment agreements can be terminated but this will (potentially) lead to an unfair dismissal. In the Netherlands, the transferor remains liable for one year for all obligations under the employment agreement that arose prior to the transfer. In the UK, only specific residual liabilities exist.

F. CONSIDERATIONS RELATING TO THE PROPERTIES

Recourse on the Senior Loans is limited to the Properties and the other security securing the Senior Loans

The Senior Borrowers are limited in their purpose primarily to owning and operating the relevant Property or Properties as hotels. Upon the occurrence of a Senior Loan Event of Default, recourse may generally be had only against the assets of the Senior Obligors, which assets generally are limited to the Properties and the related assets that secure the Senior Loans. Consequently, Noteholders must look solely to (i) the net revenues from the operation of the Properties and (ii) net proceeds from the refinancing or sale of the Property for payment of amounts due on the Senior Loans, including the liquidation proceeds of the Property in an enforced sale or loan sale following a Senior Loan Event of Default. Since revenues from the Properties generally will serve as the primary source for payments due on the Senior Loans, if revenues from the Properties are reduced or if expenses incurred in the operation of the Properties increase, the ability of the Senior Borrowers to make payments with respect to the Senior Loans may be impaired. Similarly, the ability of the Senior Borrowers to sell or refinance any of the Properties and repay the Senior Loans could be impaired by an adverse change in the value of the relevant Property or other factors.

Risks associated with commercial real estate lending

The ability of the Senior Borrowers to make payments due on the Senior Loans will be subject to the risks generally associated with real estate investments. These risks include adverse changes in general or local economic conditions, real estate values generally and in the locations of the Properties, interest rates, real estate tax rates, other operating expenses (including costs of energy), inflation, the supply of and demand for properties of the type involved, planning/zoning laws or other governmental rules and policies (including environmental restrictions), competitive conditions (including changes in land use and construction of new competitive properties) that may affect the ability of the Senior Borrowers to obtain or maintain occupancy of the related Properties, bankruptcy or other events adversely affecting tourism, civil disorder, acts of war or of terrorists, acts of God, such as floods or earthquakes, and other factors beyond the control of the Senior Borrowers. Due to these and other factors, the performance of real estate has historically been cyclical. Such factors may make it difficult for the Properties to generate sufficient net operating income to make full and timely payments on the Senior Loans.

The volatility of property values and net operating income depends upon a number of factors, including (i) property revenue and (ii) the relevant property's "operating leverage", which generally refers to (a) the percentage of total property operating expenses in relation to property revenue, (b) the breakdown of property operating expenses between those that are fixed and those that vary with revenue and (c) the level of capital expenditures required to maintain the property and retain or replace tenants. Even if current net operating income is sufficient to cover debt service at any given time, there can be no assurance that such will continue to be the case in the future.

The prospective performance of the Senior Loans and the Properties should be evaluated separately from the performance of other mortgage loans and/or properties

While there may be certain common factors affecting the performance and value of income-producing real properties in general, those factors do not apply equally to all income-producing real properties and, in many cases, there are unique factors that will affect the performance and/or value of a particular income-producing real property. Moreover, the effect of a given factor on a particular real property will depend on a number of variables, including but not limited to property type, geographic location, competition, sponsorship and other characteristics of the properties and the related mortgage loan. Each income-producing real property represents a separate and distinct business venture and, as a result, the relevant mortgage loan requires a unique underwriting analysis. Furthermore, economic and other conditions affecting real properties, whether worldwide, national, regional or local, vary

over time. The performance of a mortgage loan originated and outstanding under a given set of economic conditions may vary significantly from the performance of otherwise comparable mortgage loans originated and outstanding under a different set of economic conditions. Accordingly, investors should evaluate the Securitised Loans independently from the performance of mortgage loans underlying any other securities.

Risks relating to hotel properties

The income from and market value of a hotel property, and a borrower's ability to meet its obligations under a loan secured by a hotel property, are subject to a number of risks. The income-producing capacity of the hotels may be adversely affected by a number of factors, which may be general in nature or may relate to the specific hotels in particular. Factors which relate specifically to a particular hotel itself may include: (i) the age, design and construction quality of the hotel; (ii) perceptions regarding the attractiveness of the hotel; (iii) the proximity and attractiveness of competing hotels; (iv) the adequacy of the hotel's management and maintenance; (v) increases in operating expenses; (vi) an increase in the capital expenditure needed to maintain the hotel or make improvements, to maintain the competitiveness of the hotels; (vii) a decline in a hotel's room rates and/or room utilisation rates; (viii) natural disasters; and (ix) a fluctuation, seasonal or otherwise, in demand for the facilities that the hotel offers. In addition, the events of 11 September 2001 and 7 July 2005 and the outbreak in the United Kingdom of foot and mouth disease, each of which are believed to have had an adverse effect upon the hotel industry in the United Kingdom as a whole, show how unforeseen factors can affect the hotel industry.

Other factors which could have an impact on the value of a Hotel Property are more general in nature, such as: national, regional or local economic conditions (including plant closures, industry slowdowns and unemployment rates); local hotel 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; 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.

Due in part to the historically strong correlation between the hotel industry's performance and general economic conditions, the hotel industry is subject to cyclical changes in revenues and profits. Two of the Properties are located in Central London in the United Kingdom and, consequently, the level of income derived from those Properties will be substantially influenced by general economic conditions in the United Kingdom and London in particular. One of the Properties is located in Amsterdam, in the Netherlands and, consequently, the level of income derived from that Property will be substantially influenced by general economic conditions in the Netherlands, and Amsterdam in particular. Income from the hotels is likely to be more sensitive than income from other commercial properties to economic downturns or increased competitive conditions, as such income is primarily generated by room occupancy and room occupancy is usually for a short period of time. Hotels have relatively high fixed operating costs, and as a result relatively small decreases in revenue can cause significant declines in net cash flow.

Any one or more of the above described factors or others not specifically mentioned above could operate to have an adverse effect on the income derived from, or able to be generated by, the hotels or a particular hotel, which could in turn cause the Senior Borrowers to default on the Senior Loans, reduce the chances of the Senior Borrowers refinancing the Senior Loans or reduce the Senior Borrowers' abilities to sell the hotels or a particular hotel.

Conversion of a hotel to alternative uses would generally require substantial capital expenditure. Therefore, the Properties may not readily be converted to alternative uses if they become unprofitable due to competition, decreased demand or other factors. Thus, if the operation of any of the Properties becomes unprofitable, the realisable value of such Property may be substantially less than would be

the case if such Property were readily adaptable to other uses. In addition, to remain competitive and maintain economic value, hotels generally require more frequent expenditure for improvements and renovation than other types of commercial property. If insufficient amounts are spent on capital expenditure on the Properties, such Properties may not remain competitive in their market.

Competition could have an adverse effect on the Senior Borrowers' business, financial condition and results of operations

The hotels owned by the Senior Borrowers with respect to each Property (the **Hotels**) face competition from other hotel offerings within their catchment area, namely Central London and Amsterdam, respectively. Both cities are highly competitive markets, with new hotel offerings entering the market frequently. The amount of lettable space in the relevant area, the quality of facilities and the specific nature of the hotels at such competing offerings could make the Hotels comparatively less attractive, which could have a material adverse effect on the Senior Borrowers' ability to retain guests, and on the level of revenue they can obtain.

Any of the foregoing factors could have an adverse effect on the Senior Borrowers' business, financial condition and/or results of operations resulting in an adverse effect on the Senior Borrowers' ability to make payments under the Senior Loans, which in turn, would have an adverse effect on the Issuer's ability to make payments under the Notes and Class X Certificates.

Property condition assessments

The Senior Borrowers 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 they own. As a result, the Senior Borrowers' income in respect of such Property may be reduced and the Senior Borrowers' financial condition could deteriorate and the value of the relevant Properties could decline.

To maintain 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. 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 Senior Borrowers 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 Senior Loan Event of Default are protracted. To the extent that the value of the Properties diminish, this may have an adverse impact on the Senior Borrowers' ability to make payments with respect to the Senior Loans and, consequently, the Issuer's ability to make payments with respect to the Notes and the Class X Certificates.

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 ordinance). 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 ordinance, 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

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.

The environmental due diligence indicated that, although some of the Properties had historic uses providing potential for on-site and/or off-site contamination, there was insufficient information available within the investigations undertaken to confirm historical contamination or remediation.

The environmental due diligence concluded that, given their built-up nature, the Properties are suitable for their present use with regards to environmental issues and that the overall environmental risk in respect of each Property was low or low to moderate. However, there can be no assurance that all environmental conditions and risks were identified in such due diligence. There may be other environmental liabilities of which the parties are unaware.

Modernisation of Properties may also 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.

In respect of the Dutch Property the environmental due diligence report states that the potential for significant contamination from on-site and off-site historic sources is considered to be moderate to high given the former general industrial use of the surrounding area of the Dutch Property. However, the site has been remediated by a developer and as a building permit was issued for the Dutch Property, the remediation was likely to the satisfaction of the authorities. Still, the presence of contamination cannot be ruled out.

Risks relating to planning and zoning

In the Netherlands, buildings must be constructed and used in accordance with relevant planning and building legislation such as zoning plans, the municipal/national building decree and building permits. Failure to comply with planning and building obligations or conditions could give rise to planning enforcement or other compliance action by the relevant planning authority. A building permit is required for construction of new buildings and alterations to existing buildings. In principle, no permit is required for regular maintenance. Issuance of a building permit requires that the proposed construction complies with the applicable zoning plan, or that a deviation from the zoning plan has been obtained. Construction works must be in accordance with the requirements and conditions of the permit, which may include the requirement to clean up the property before. The municipality may require the owner to alter the property, if the construction violates the conditions of the building permit. There may be a number of on-going planning obligations or restrictions relating to certain elements of the Dutch Property.

Other permits, notifications, exemptions and approvals may be required to operate the Dutch Property, including, an environmental permit for fire safety matters, a water act permit, a flora and fauna exemption or an environmental notification under general environmental rules for operating a facility. Non-compliance with permits, notifications, exemptions and approval conditions could trigger enforcement action by the authorities and may ultimately lead to suspension or revocation of said authorization, which would impact the Issuer's ability to make payments with respect to the Notes and the Class X Certificates.

Limitations of valuations

CBRE Limited has produced the Initial Valuation as at 1 December 2014, at which time the Portfolio was held by Carolia Amsterdam Hotel B.V. and Carolia Hospitality Limited (formerly City Inn Limited). According to the Initial Valuation, the Market Value of the Portfolio was derived on the basis of two scenarios.

Under the first scenario, the Valuer assumed that the existing Hotel Management Agreements can be terminated. Specifically:

- (a) The Market Value of the Portfolio was valued on the basis that the Properties are sold off individually to increase liquidity. The Market Value of the Dutch Property was €233,000,000 and it was valued on the basis of the sale of the Dutch Obligor with purchaser's costs of 2.25 per cent. The Market Value of the UK Property was £446,700,000 and it was valued on the basis of asset sales of the UK Property with purchaser's costs of 5.80 per cent which includes full stamp duty/land tax (the aggregate market value of the Properties was £632,028,000 exclusive of VAT, and using the Valuer's foreign exchange rate of 1EUR: 0.7954 GBP as at the date of the Valuation).
- (b) The Market Value of the Portfolio was valued on the basis of a share transfer of all of the relevant Senior Borrowers with purchaser's costs of 2.25 per cent. The Market Value of the Dutch Property was €233,000,000 and the Market Value of the UK Properties was £462,200,000 (the aggregate market value of the Properties was £647,528,000 exclusive of VAT, and using the Valuer's foreign exchange rate of 1EUR: 0.7954 GBP as at the date of the Valuation).

Under the second scenario, the Valuer assumed that the existing Hotel Management Agreements cannot be terminated. However, the Senior Borrowers can terminate the Hotel Management Agreements on a sale of the individual Properties so these valuation figures are not relevant to the transactions described in the Prospectus. The valuations figures calculated under scenario two can be found in the Initial Valuation.

There can be no assurance that the market value of the Properties will continue to be equal to or exceed the valuations given to it in the Initial Valuation or that the value of the Properties has not changed materially since the date of the Initial Valuation. Similarly, geographical fluctuations in the market value of the Properties comprising the Portfolio may occur and there can be no assurance that fluctuations in the market value of the Dutch Property and the market value of the Properties located in the United Kingdom will be consistent with each other. 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 Senior Borrowers.

Some of the assumptions in the Initial Valuation might not materialise, and unanticipated events and circumstances may occur or have occurred subsequent to the date of the Initial 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 Senior Loans. 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.

Cashflow calculations

Cashflow figures in relation to the Properties contained in this Prospectus 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 Senior Obligors have undertaken in the Senior Facility Agreement that they will ensure certain insurances are in full force and effect (for further details refer to the “Description of the Facility Agreements—The Senior Facility Agreement” section).

Special provisions apply to flood insurance. The Westminster and Tower of London Properties which have been identified as being in high hazard flood zones are required to be insured against flood risk up to their full reinstatement value which is £164,220,000 in aggregate (as per the Initial Valuation). For other properties, flood insurance is only required to be effected if available at reasonable cost in the market (and the reinstatement value may be reduced below full reinstatement value to enable such insurance to be effected at reasonable cost) subject to an initial minimum amount of cover across the portfolio of not less than £60,000,000 (as an annual limit, excluding the top-up cover in respect of the Tower of London Property and the Westminster Property and subject to any reduction as a result of a claim) and an absolute minimum amount of cover across the portfolio at all times of £40,000,000.

In addition, terrorism insurance is required to be in effect for all Properties pursuant to the Senior Facility Agreement to the extent available in the market on reasonable commercial terms.

There is no assurance the Senior Borrowers will in fact procure the maintenance of the insurances required under the Senior 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 Senior Borrowers’ 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 and, depending on the location, flood) 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 Senior Obligors might not have sufficient funds to repay in full all amounts owing by them under the Senior Facility Agreement and, consequently, the ability of the Issuer to make payments on the Notes and Class X Certificates.

In addition, following receipt by a Senior Obligor of Insurance Proceeds, (unless those Insurance Proceeds are to be applied in reinstatement, to cover business interruption or to meet a third party claim (in each case, within 12 months of receipt or 24 months of receipt provided that the proceeds are contractually committed to be applied no later than 12 months after receipt)), the Senior Obligors shall prepay the Senior Loans (a) first, in an amount equal to 100 per cent. of the Senior Allocated Loan Amount for the relevant Property against the Senior Loan made to the Senior Borrower which owns that Property; and (b) in an amount equal to the Senior ALA Excess against the Senior Loans pursuant to the Senior Facility Agreement on a pro rata basis.

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.

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 Senior Obligors have other funds available, a Senior 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 Senior Obligors to make payments under the Senior Loans (if they do 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 Senior Allocated 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 Notes and the Class X Certificates.

Under Dutch law, a property may at any time be compulsorily acquired by, *inter alia*, a local or public authority or a governmental department, generally in connection with proposed redevelopment or infrastructure projects. However, if a compulsory purchase order is made in respect of the Dutch Property, compensation would be payable on the basis of the open market value of all of the relevant proprietary interests in the Dutch Property at the time of the purchase. Such a purchase might also constitute a Senior Loan Event of Default and lead to an acceleration of the relevant Senior Loans. The risk to Noteholders and Class X Certificateholders is that the amount received from the proceeds of purchase of the ownership right of the Dutch Property may be less than the amounts required to pay all amounts due under the Senior Finance Documents.

It should also be noted that there is often a delay between the compulsory purchase of a property and the payment of compensation (although interest may be payable from the date upon which the acquiring authority takes possession of the property), which will largely depend upon the ability of the property owner and the entity acquiring the property to agree on the open market value of the property. Such a delay may, unless the Dutch Obligor has other funds available to it, give rise to a Senior Loan Event of Default.

Forfeiture/termination with respect to Dutch Property

In the Netherlands, the full and beneficial unencumbered ownership of land (*eigendomsrecht*) is the most inclusive right to real property. The legal title to the land includes the legal title to the buildings situated on the land. There are also two types of rights in rem that are similar to ownership. First, a person may have a building right (*opstalrecht*). Secondly, a person may also have a leasehold right (*recht van erfpacht*) in respect of land and/or any buildings located on that land, which is the basis upon which the Dutch Obligor holds the Dutch Property. This does not give the Dutch Obligor ownership rights in the Dutch Property but it does give it the right to hold and use the land and the building.

The leasehold right in respect of the Dutch Property is perpetual, and the ground rent is prepaid and cannot be reviewed until 2108. Both parties in connection with a leasehold right must comply with the terms and conditions of the leasehold right.

According to the leasehold conditions applicable to the Dutch Property, the legal title holder is entitled to terminate the leasehold by reason of a breach of covenant which is continuing for a period of two years, but not (immediately) upon the insolvency of the leaseholder (i.e. the relevant Senior Borrower). Under Dutch law, if a legal title holder intends to terminate the leasehold as described above, it must give the mortgagee or mortgagees timely notice of that intent. The mortgagee has an independent claim against the leaseholder in the form of a right of pledge on any compensation payments that are payable by the legal title holder to the leaseholder upon termination of the leasehold, up to the same maximum amount to which the mortgagee would be entitled in the case of a foreclosure sale. The right of pledge on the compensation payments comes into effect by operation of law and has preference over any other right of pledge established on the compensation payments. The insolvency of the leaseholder, as mortgagor, will not affect or prevent the coming into effect of the right of pledge on compensation payments.

The terms and conditions of a leasehold right may impose limitations on a leaseholder in respect of the property. For instance, if a new zoning plan would permit the redevelopment of a property or could otherwise lead to a more profitable exploitation of a property, a leaseholder would not be able to benefit from any increase in the value of the property as a result of the change to such zoning plan if the owner of the property is entitled to refuse to consent to such redevelopment or to impose conditions such as charging a fee or requiring a share of the profit.

Municipal right of first refusal

Under the Municipalities Purchase Preference Act (*Wet voorkeursrecht gemeenten*), in respect of properties so designated by a local municipality, the local municipality will have a right of first refusal to acquire that property in the event an owner of that property wishes to sell. However, this requirement can be waived by the local municipality. The legal due diligence did not reveal that the Dutch Property is designated as such at this point in time.

Legal due diligence in relation to the Dutch Properties

The legal due diligence carried out for the purpose of, *inter alia*, granting the Senior Loans revealed the existence of various ‘burdens and restrictions’ in relation to the Dutch Property, such as perpetual clauses (*kettingbedingen*) and obligations attached to a certain capacity (*kwalitatieve verplichtingen*), which the Dutch Obligor would have to observe when selling/transferring such property by ensuring that they are imposed on the buyer in the same fashion. The perpetual clauses contain monetary penalties that would be due from the Dutch Obligor upon failing to observe the obligations relating to the perpetual clauses, the largest of which provides for a penalty of approximately EUR 1,000,000 (and the next largest is approximately EUR 50,000). In addition, the right of superficies relating to the parking garage connected with the Dutch Property was divided into apartment rights, but it is not clear who owns these apartment rights. It is therefore not clear from the legal due diligence that was performed, who owns the parking garage connected to the Dutch Property.

G. CONSIDERATIONS RELATING TO THE HOTEL MANAGEMENT

General

The following is a non-exhaustive list of risks associated with the management of the Hotels. These should be considered by investors and prospective investors in conjunction with the obligations of the Senior Borrowers under the Senior Facility Agreement (see the section entitled “Description of the Senior Facility Agreement”) which may have a bearing on the management of the Hotels. In particular, the Senior Facility Agreement requires the relevant Senior Borrower to comply with covenants in connection with the Hotels, whether or not the relevant Hotel Manager is performing its obligations, and each Senior Borrower may replace the relevant Hotel Manager with a replacement manager in certain circumstances.

Lack of Hotel Management, Senior Borrower and Senior Guarantor diversification may lead to increased investment risks

The Senior Borrowers, the Senior Guarantors and the Hotel Managers are all affiliated with Hilton Worldwide Holdings Inc. (**Hilton Worldwide**). As a result, financial or other difficulties experienced by Hilton Worldwide, or even a single Senior Borrower, Senior Manager or Hotel may have a greater impact on the Senior Loans than would be the case if the Senior Borrowers and Hotel Managers did not share a common affiliation or the Hotels were not managed by affiliated Hotel Managers. For example, a financial failure or bankruptcy filing involving Hilton Worldwide could have a greater impact on the Senior Loans than such financial failure or bankruptcy filing would if only one Senior Borrower or Hotel Manager, or less than all of the Senior Borrowers and Hotel Managers, were affiliated with Hilton Worldwide.

Risks related to Relevant Works at the Hotels

The Hotels may undergo, from time to time, construction, development, redevelopment, renovation, repairs or improvements (**Relevant Works**). The Hotel Management Agreements may require additional capital expenditures at a later date to maintain the Hotels in accordance with the Hotel Manager's applicable Brand Standards, pursuant to the terms of such Hotels' related management agreements. The existence of any Relevant Works at a Hotel may make that Hotel less attractive to guests and may make some rooms unavailable to rent to guests, and accordingly could have a negative effect on such Hotel's net operating income. It cannot be assured that any Relevant Works will be completed, that such Relevant Works will be completed in the time frame contemplated, at the cost budgeted for or that, when and if such Relevant Works are completed, they will improve the operations at, or increase the value of, the subject Hotel. Failure of any of the foregoing to occur could have a material negative impact on the Senior Loans and/or the value of the related Hotel, which could affect the ability of the relevant Senior Borrower to repay the Senior Loans, and therefore the ability of the Issuer to make payments of interest, principal and other amounts in respect of the Notes or the Class X Certificates.

Risks relating to affiliation with a hotel management company

As of the date of this Prospectus, all of the Hotels are operated under a brand associated with Hilton Worldwide—"DoubleTree by Hilton". The performance of a Hotel associated with a brand depends in part on:

- (a) the continued existence and financial strength of the hotel management company;
- (b) the public perception of the brand or hotel chain service mark; and/or
- (c) the duration of the licensing or management agreements.

The success of the business of the "DoubleTree by Hilton" brand and the Senior Borrowers is dependent upon the success of the management of the Hotels and on brand recognition. Such dependence makes the business of the Senior Borrowers susceptible to reputational damage and competition from other hotel franchise businesses. It cannot be assured that competition from other brands will not adversely impact the market position or the financial performance of the brand owners (the **Hilton Companies**), which could impact the Hotels. Because all of the Hotels operate under brands owned by the Hilton Companies, an event that negatively impacted the performance of one brand under which a Hotel operates could have a greater impact on the Hotels than if the Hotels were not operated under affiliated brands.

In addition, the brand recognition and support that provides the basis for a successful operation of owned businesses can also mean that problems within the Hilton Companies or their affiliates or at the Hotels (e.g., changes in ownership or management or management practices, or acts or omissions

that adversely affect the business of the Hilton Companies, including crime, scandal, litigation, negative publicity, catastrophic fires or similar events, accidents or injuries to guests) can have a substantial impact on operations of otherwise successful individual hotel locations. The Hilton Companies could face legal claims and adverse publicity from a variety of events or conditions, many of which are beyond the control of the Hilton Companies. Any of the above events or a successful liability claim could injure the reputation or goodwill of the Hilton brands. Even if unsuccessful, a liability claim could cause unfavourable publicity. This, in turn, could have an adverse impact on the performance of the Hotels and could adversely impact the ability of the Senior Borrowers to perform under the Senior Loans, and therefore the ability of the Issuer to make payments of interest, principal and other amounts in respect of the Notes or the Class X Certificates to be repaid in full.

The Hotel Managers rely upon their system and any failures of such systems could negatively affect their business

Each of the Hotel Managers owns and/or licences technology and systems for procurement and cash management. If any of these systems fail to operate as anticipated, are vulnerable to or subject to security breaches or these systems are not replaced with new systems comparable to those introduced by competitors, such circumstances could have a negative impact on the business of the related Senior Borrower. Any degradation, failure of adequate development relative to, or security breach of, competitive systems may adversely affect the conduct of the business of the related Senior Borrower.

Reliance on Hotel Managers

Income realised from operations at the Hotels may be affected by management decisions relating to the Hotels, which in turn may be affected by events or circumstances impacting the applicable Hotel Manager, its financial condition or results of operation. The day-to-day management of the Hotels, including leasing and collection functions, is currently performed by the Hotel Managers. While the Hotel Manager for each Hotel is experienced in managing full service, select service or limited service hotel properties similar to or of the same property type as the applicable Hotel, it cannot be assured that any of them will continue to act as manager of the applicable Hotel or that any of them will manage the applicable Hotel successfully. The Senior Facility Agreement permits the Senior Borrowers to appoint another professional management company as a replacement manager (a **Replacement Manager**) meeting certain criteria set forth in the Senior Facility Agreement.

Each of the Hotels is currently operated and managed by the applicable Hotel Manager, pursuant to the applicable Hotel Management Agreement. See “*Description of the Hotel Managers and the Hotel Management Agreements*” in this Prospectus. The effective management and operation of the Hotels will be a significant factor affecting the revenues, expenses and value of the Hotels. Each Hotel Manager will be responsible for responding to changes in demand for hotel rooms and other services provided by its respective Hotel in the local market, establishing levels of room rates and ensuring that maintenance and capital improvements are carried out in a timely fashion in accordance with the terms of the applicable Hotel Management Agreement. It cannot be assured that any Hotel Manager will at all times be in a financial condition to continue to fulfil its management responsibilities under the related Hotel Management Agreement throughout the term of such Hotel Management Agreement.

The Hotel Manager is only responsible and liable for the operation of the relevant Hotel to the extent of and upon the terms and basis of the relevant Hotel Management Agreement. No guarantees of financial performance are provided therein.

In the event that a Senior Borrower enters into a replacement hotel management agreement after the date of this Prospectus that otherwise complies with the Senior Facility Agreement (a **Replacement Management Agreement**), at any time such Replacement Management Agreement is in full force and effect at the applicable Hotel, the applicable Senior Borrower will rely on such Replacement Manager to collect, expend, hold and apply revenue from such Hotel in accordance with the

applicable Replacement Management Agreement and remit any amounts payable to such Senior Borrower into the relevant account in accordance with such Replacement Management Agreement. It cannot be assured that such Replacement Manager will collect, expend, hold and apply revenue in accordance with the related Replacement Management Agreement. More generally, it cannot be assured that any Replacement Manager will have sufficient skill or resources to continue to manage the applicable Hotel as required by the applicable Replacement Management Agreement.

Upon the occurrence of certain events, each Hotel Manager is permitted to terminate the related Hotel Management Agreement (subject to a specified cure period). Such events include (i) the failure of the relevant Senior Borrower to make a payment under the relevant Hotel Management Agreement within 30 calendar days, (ii) the relevant Senior Borrower becoming insolvent, (iii) an event occurring which would jeopardise the ability of the Hotel Manager to obtain a gaming licence, (iv) the relevant Senior Borrower becoming a Prohibited Person and (v) a material default in respect of a failure by the relevant Senior Borrower to comply with any covenant, undertaking, obligation or condition set forth in the relevant Hotel Management Agreement which continues for 30 calendar days after receipt of a written notice of the default. See “*Description of the Hotel Managers and the Hotel Management Agreements—Expiry and Termination*” in this Prospectus. Any such termination by a Hotel Manager will result in the loss of the applicable Senior Borrower’s right to use the “DoubleTree by Hilton” brand name, as applicable. The Issuer’s (in its capacity as lender) right to terminate a Hotel Management Agreement is limited. In particular, the Issuer does not have the right to remove a Hotel Manager, even during the continuance of a Senior Loan Event of Default, except in accordance with the terms of the related Hotel Management Agreement.

Potential Conflicts of Interest of the Hotel Managers

The Hotel Managers, and any Replacement Manager, may also manage other hotels including hotels that directly compete with the Hotels. Accordingly, the Hotel Managers, including any Replacement Manager, may experience conflicts of interest in the management of certain Hotels, and may be hesitant to take actions with respect to the Hotels that may have an adverse effect on any other hotels that they manage or own. In addition, the Hotel Managers are each, and any Replacement Manager may be, affiliates of the Senior Borrowers and therefore may experience conflicts of interest in the management of such Hotels, particularly with regard to reporting to the Issuer, as lender under the Senior Facility Agreement, cash management, and actions taken subsequent to a Senior Loan Event of Default.

Hilton Worldwide and its affiliates own, lease, franchise and manage a number of hotels other than the Hotels and may acquire additional hotels in the future, including other hotel properties. Certain of these other hotels, similar to other third-party owned real estate, may compete directly with the Hotels for existing and potential business and guests. It cannot be assured that Hilton Worldwide and its affiliates will allocate their management efforts in such a way as to maximise the returns with respect to the Hotels, as opposed to maximising the returns with respect to such other hotels that do not secure the Senior Loans, or that the activities of Hilton Worldwide and its affiliates with respect to such other hotels will not adversely impact the performance of the Hotels.

The Hotel Managers and the Senior Borrowers are each affiliated entities. It cannot be assured that a Senior Borrower that is affiliated with a Hotel Manager will cause such Hotel Manager to adequately fulfil its management responsibilities under the related Hotel Management Agreement or to enforce any of such Senior Borrower’s rights against such Hotel Manager as provided for in the related Hotel Management Agreement.

H. GENERAL: RISKS NOT EXHAUSTIVE

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

KEY TRANSACTION PARTIES

The Issuer and the Issuer Related Parties on the Closing Date

Party	Name	Address	Document under which Appointed/ Further Information
Issuer	Mint 2015 plc	35 Great St. Helen's London EC3A 6AP United Kingdom	N/A. See " <i>The Issuer and Holdings—The Issuer</i> ".
Holdings	Mint 2015 Holdings Limited	35 Great St. Helen's London EC3A 6AP United Kingdom	N/A. See " <i>The Issuer and Holdings—The Issuer</i> ".
Loan Seller and Retention Holder	JPMorgan Chase Bank, N.A., London Branch	25 Bank Street London E14 5JP United Kingdom	Pursuant to the Loan Sale Documents, the Loan Seller will sell the Securitised Loans to the Issuer and will retain the Retained Tranche. See " <i>Description of the Loan Sale Documents</i> ".
Servicer	CBRE Loan Servicing Limited	St. Martin's Court 10 Paternoster Row London EC4M 7HP United Kingdom	The Servicer will act as servicer of the Securitised Loans and the Retained Tranche pursuant to the Servicing Agreement. See " <i>Key terms of the servicing arrangements for the Securitised Loans and the Retained Tranche</i> ".
Special Servicer	CBRE Loan Servicing Limited	St. Martin's Court 10 Paternoster Row London EC4M 7HP United Kingdom	The Special Servicer will act as special servicer of the Securitised Loans and the Retained Tranche pursuant to the Servicing Agreement. See " <i>Key terms of the servicing arrangements for the Securitised Loans and the Retained Tranche</i> ".
Cash Manager	Elavon Financial Services Limited, UK Branch	125 Old Broad Street London EC2N 1AR United Kingdom	The Cash Manager will be appointed pursuant to the Cash Management Agreement. See " <i>Cash Management</i> ".
Account Bank	Elavon Financial Services Limited, UK Branch	125 Old Broad Street London EC2N 1AR United Kingdom	The Account Bank will be appointed pursuant to the Cash Management Agreement. See " <i>The Structure of the Bank Accounts</i> ".

Party	Name	Address	Document under which Appointed/ Further Information
Agent Bank and Principal Paying Agent	Elavon Financial Services Limited, UK Branch	125 Old Broad Street London EC2N 1AR United Kingdom	The Principal Paying Agent will act as paying agent in respect of the Notes and the Class X Certificates, the Agent Bank will act as agent bank pursuant to the Agency Agreement. See the Conditions 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 Notes pursuant to the Trust Deed. See “ <i>Description of the Trust Deed and the Issuer Deed of Charge</i> ”.
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 “ <i>Description of the Trust Deed and the Issuer Deed of Charge</i> ” and the Conditions.
Issuer Secured Creditors	The Issuer Security Trustee (and any receiver or other appointee appointed by it), the Note Trustee (and any appointee appointed by it), the Noteholders, the Class X Certificateholders, the Servicer, the Special Servicer, the Cash Manager, the Account Bank, the Liquidity Facility Provider, the Agent Bank, any Paying Agent, the Registrar, the Corporate Services Provider and any other person acceding to the Issuer Deed of Charge from time to time		Issuer Deed of Charge. See “ <i>Description of the Trust Deed and the Issuer Deed of Charge</i> ” and “ <i>Cashflows and Issuer Priorities of Payments</i> ”.
Registrar	Elavon Financial Services Limited, UK Branch	125 Old Broad Street London EC2N 1AR United Kingdom	The Registrar will act as registrar of the Notes and the Class X Certificates pursuant to the Agency Agreement. See the Conditions and the Class X Certificates Conditions.

Party	Name	Address	Document under which Appointed/ Further Information
Corporate Services Provider	Structured Finance Management Limited	35 Great St. Helen's London EC3A 6AP United Kingdom	The Corporate Services Provider will act as corporate services provider to the Issuer pursuant to the Corporate Services Agreement. See " <i>The Issuer and Holdings—The Issuer</i> ".
Liquidity Facility Provider	JPMorgan Chase Bank, N.A., London Branch	25 Bank Street London E14 5JP United Kingdom	Pursuant to the GBP Liquidity Facility Agreement and the EUR Liquidity Facility Agreement, the Liquidity Facility Provider will make the Liquidity Facilities available to the Issuer. See " <i>Description of the Liquidity Facility Agreements</i> ".
Common Security Agent	CBRE Loan Servicing Limited	St. Martin's Court 10 Paternoster Row London EC4M 7HP United Kingdom	Pursuant to the Senior Facility Agreement, the Common Security Agent acts as security trustee under English law for the Senior Finance Parties in respect of the security granted by the Senior Obligor in favour of the Common Security Agent. See " <i>The key characteristics of the Loan Security</i> ".
Senior Facility Agent	CBRE Loan Servicing Limited	St. Martin's Court 10 Paternoster Row London EC4M 7HP United Kingdom	The Senior Facility Agent is appointed by the Senior Finance Parties pursuant to the Senior Facility Agreement. See " <i>Description of the Facility Agreements—The Senior Facility Agreement</i> ".
Senior PledgeCo	Carolia Pledgeco Limited	1st Floor Beacon House 26 Worples Road London SW19 4EE United Kingdom	Senior PledgeCo has entered into the Senior Facility Agreement. See " <i>Description of the Senior Facility Agreement</i> ". Senior PledgeCo has entered into certain of the Transaction Security Documents as limited recourse security provider in respect of the Senior Loans. See " <i>The key characteristics of the Loan Security</i> ".

Party	Name	Address	Document under which Appointed/ Further Information
Senior Borrowers	Carolia Amsterdam Hotel B.V., Carolia Tower Hotel Limited and Carolia Westminster Hotel Limited	1st Floor Beacon House 26 Worple Road London SW19 4EE United Kingdom	Each of the Senior Borrowers has entered into the Senior Facility Agreement as a borrower. See <i>“Description of the Facility Agreements—The Senior Facility Agreement”</i> . Each of the Senior Borrowers has entered into certain of the Transaction Security Documents as a security provider in respect of the Senior Loans. See <i>“The key characteristics of the Loan Security”</i> .
Senior Guarantors	Carolia Amsterdam Hotel B.V., Carolia Tower Hotel Limited, Carolia Westminster Hotel Limited, Carolia Hospitality Limited (formerly City Inn Limited), Carolia Pledgeco Limited, Carolia Holdco Limited, Carolia Bidco Limited and Carolia Bidco II Limited	1st Floor Beacon House 26 Worple Road London SW19 4EE United Kingdom	Each of the Senior Guarantors has entered into the Senior Facility Agreement as a guarantor of each Senior Loan. See <i>“Description of the Facility Agreements—The Senior Facility Agreement”</i> . Each of the Senior Guarantors has entered into certain of the Transaction Security Documents as a security provider in respect of the Senior Loans. See <i>“The key characteristics of the Loan Security”</i> .

Other parties involved in connection with the Notes and the Class X Certificates

Party	Name	Address
Listing Agent	Arthur Cox Listing Services Limited	Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland
Stock Exchange	Main Securities Market of the Irish Stock Exchange plc	28 Anglesea Street Dublin 2 Ireland
Clearing Systems	Clearstream, Luxembourg	42 Avenue J.F. Kennedy L-1855 Luxembourg
	Euroclear Bank S.A./N.V.	1 Boulevard du Roi Albert II B-1210 Brussels Belgium
Common Depositary	Euroclear Bank S.A./N.V.	1 Boulevard du Roi Albert II B-1210 Brussels Belgium

Party	Name	Address
Rating Agencies	Standard & Poor's Credit Market Services Europe Limited	20 Canada Square Canary Wharf London E14 5LH United Kingdom
	DBRS Ratings Limited	1 Minster Court London EC3R 7AA United Kingdom

FEE TABLE

The following table sets out the on-going fees to be paid by the Issuer to the Transaction Parties.

Type of Fee	Amount of Fee⁽¹⁾	Priority in cashflow waterfall	Frequency
Servicing Fees	£1 nominal fee ⁽²⁾	Ahead of all outstanding Notes	Servicing Fee payable quarterly in arrears
Servicer's Modification Fee ⁽³⁾	As agreed in connection with a modification of the relevant Senior Loan	Ahead of all outstanding Notes	As agreed in connection with a modification of the relevant Senior Loan
Special Servicing Fee	0.17 per cent per annum of the outstanding principal balance of the relevant Senior Loan while it is a Specially Serviced Loan	Ahead of all outstanding Notes	Payable in arrears on each Note Payment Date
Workout Fee	1.00 per cent of interest and principal collections on the relevant Senior Loan while it is a Corrected Loan	Ahead of all outstanding Notes	Payable on each Note Payment Date
Liquidation Fee	1.00 per cent per annum of Liquidation Proceeds of the Specially Serviced Loan	Ahead of all outstanding Notes	Payable on each Note Payment Date, to the extent Liquidation Proceeds are received
Liquidity Facility Commitment Fee	1.25 per cent per annum of the undrawn and uncanceled Liquidity Commitment	Ahead of all outstanding Notes	Payable in arrears on each Note Payment Date
Annual Principal Paying Agent, Agent Bank, Account Bank, Cash Manager and Common Depositary Services Fee	£8,000 per annum	Ahead of all outstanding Notes	Payable in advance on each Note Payment Date
Security and Note Trustee Services Fee	£2,000 per annum	Ahead of all outstanding Notes	Payable in advance on each Note Payment Date
Other Fees and Expenses of the Issuer	Fees estimated at £50,000 per annum	Ahead of all outstanding Notes	Various
Rating Agencies	£47,000 per annum	Ahead of all outstanding Notes	Payable annually in advance
Expenses related to the admission to trading of the Notes	€2,000 per annum	Ahead of all outstanding Notes	Annually

(1) All fees are exclusive of VAT, if applicable.

(2) £55,000 (exclusive of VAT) per annum Servicing Fee is paid by the Senior Borrowers to the Senior Facility Agent for so long as the Servicer and the Senior Facility Agent are the same entity.

(3) The amount of any Servicer's Modification Fee will be negotiated at the relevant time and will be paid only to the extent such amount has been recovered from the Senior Obligors.

KEY PROVISIONS OF THE NOTES, THE CLASS X CERTIFICATES AND THE ISSUER TRANSACTION DOCUMENTS

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

KEY CHARACTERISTICS OF THE NOTES

Ranking

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

In respect of the GBP Notes:

- (a) The Class GBP-A Notes rank *pari passu* without preference or priority among themselves and senior (except in respect of a Note LIBOR Excess Amount) to all other Classes of GBP Notes as provided in the Conditions and the Issuer Transaction Documents.
- (b) The Class GBP-B Notes rank *pari passu* without preference or priority among themselves but junior to the Class GBP-A Notes and (except in respect of a Note LIBOR Excess Amount) senior to the Class GBP-C Notes, the Class GBP-D Notes, the Class GBP-E Notes and the Class GBP-F Notes as provided in the Conditions and the Issuer Transaction Documents.
- (c) The Class GBP-C Notes rank *pari passu* without preference or priority among themselves but junior to the Class GBP-A Notes and the Class GBP-B Notes and (except in respect of a Note LIBOR Excess Amount) senior to the Class GBP-D Notes, the Class GBP-E Notes and the Class GBP-F Notes as provided in the Conditions and the Issuer Transaction Documents.
- (d) The Class GBP-D Notes rank *pari passu* without preference or priority among themselves but junior to the Class GBP-A Notes, the Class GBP-B Notes and the Class GBP-C Notes (except in respect of a Note LIBOR Excess Amount) senior to the Class GBP-E Notes and the Class GBP-F Notes as provided in the Conditions and the Issuer Transaction Documents.
- (e) The Class GBP-E Notes rank *pari passu* without preference or priority among themselves but junior to the Class GBP-A Notes, the Class GBP-B Notes, the Class GBP-C Notes and the Class GBP-D Notes and (except in respect of a Note LIBOR Excess Amount) senior to the Class GBP-F Notes as provided in the Conditions and the Issuer Transaction Documents.

- (f) The Class GBP-F Notes rank *pari passu* without preference or priority among themselves but junior to the Class GBP-A Notes, the Class GBP-B Notes, the Class GBP-C Notes, the Class GBP-D Notes, the Class GBP-E Notes (except in respect of a Note LIBOR Excess Amount) as provided in the Conditions and the Issuer Transaction Documents.

In respect of the EUR Notes:

- (a) The Class EUR-A Notes rank *pari passu* without preference or priority among themselves and senior to all other Classes of EUR Notes (except in respect of a Note LIBOR Excess Amount) as provided in the Conditions and the Issuer Transaction Documents.
- (b) The Class EUR-B Notes rank *pari passu* without preference or priority among themselves but junior to the Class EUR-A Notes and (except in respect of a Note LIBOR Excess Amount) senior to the Class EUR-C Notes, the Class EUR-D Notes and the Class EUR-E Notes as provided in the Conditions and the Issuer Transaction Documents.
- (c) The Class EUR-C Notes rank *pari passu* without preference or priority among themselves but junior to the Class EUR-A Notes and the Class EUR-B Notes and (except in respect of a Note LIBOR Excess Amount) senior to the Class EUR-D Notes and the Class EUR-E Notes as provided in the Conditions and the Issuer Transaction Documents.
- (d) The Class EUR-D Notes rank *pari passu* without preference or priority among themselves but junior to the Class EUR-A Notes, the Class EUR-B Notes and the Class EUR-C Notes and (except in respect of a Note LIBOR Excess Amount) senior to the Class EUR-E Notes as provided in the Conditions and the Issuer Transaction Documents.
- (e) The Class EUR-E Notes rank *pari passu* without preference or priority among themselves but junior to the Class EUR-A Notes, the Class EUR-B Notes, the Class EUR-C Notes and the Class EUR-D Notes (except in respect of a Note LIBOR Excess Amount) as provided in the Conditions and the Issuer Transaction Documents.

The Classes of Notes of a Currency Series do not have any ranking or priority in relation to the Classes of Notes of the Opposite Currency Series. Payments made by the Issuer in respect of the Notes of each Currency Series are made pursuant to separate Issuer Priorities of Payments. Only in certain limited circumstances as further described in the sections headed “*Rights of Noteholders and Relationship with other Issuer Secured Creditors—GBP/EUR Basic Terms Modification*”; “*—Matters Requiring GBP/EUR Extraordinary Resolution*”; and “*—GBP/EUR Ordinary Resolution*” will actions in respect of a Currency Series require the involvement of the Opposite Currency Series.

Form

Each Class of Notes will initially be represented by a global note certificate in registered form and will initially be offered and sold outside the United States to non-U.S. persons pursuant to Regulation S.

Retention Holder

As at the Closing Date, the Retention Holder will hold a 5 per cent. *pari passu* interest in each of the Senior GBP Loan and the Senior EUR Loan. See “*Regulatory Disclosure*” for further information.

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 Noteholders 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 Transaction Documents, the Senior Finance Documents 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 Trust Deed) (collectively, 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 Notes in respect of the allocation of proceeds as set out in the Post-Enforcement Priority of Payments.

Save to the extent set out in the Post-Enforcement Priorities of Payments, amounts of interest and principal received in respect of the Issuer Security will:

- (a) to the extent allocable to the Senior GBP Loan be applied in respect of the GBP Notes in accordance with the GBP Post-Enforcement Priority of Payments; and
- (b) to the extent allocable to the Senior EUR Loan be applied in respect of the EUR Notes in accordance with the EUR Post-Enforcement Priority of Payments.

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 Notes, the Class X Certificates and the other Issuer Transaction Documents (including payments of interest on and repayments of principal in respect of the Notes and payments under the Class X Certificates).

Issuer Secured Creditors

means the Issuer Security Trustee (and any receiver or other appointee appointed by it), the Noteholders and the Class X Certificateholders, the Servicer, the Special Servicer, the Cash Manager, the Account Bank, the Liquidity Facility Provider, the Agent Bank, the Principal Paying Agent, any Paying Agent, the Note Trustee (and any appointee appointed by it), the Corporate Services Provider, the Registrar and any other person acceding to the Issuer Deed of Charge as beneficiary from time to time.

Issuer Transaction Documents

means any of the following documents and any amendments thereto from time to time:

- the Trust Deed;
- the Issuer Deed of Charge;
- the Servicing Agreement;
- the Cash Management Agreement;
- the Corporate Services Agreement;
- each Liquidity Facility Agreement;
- the Loan Sale Documents;
- the Master Definitions Schedule;
- the Agency Agreement;
- the deed of accession to the Intercreditor Agreement; and
- any other document designated as such by the Issuer and the Issuer Security Trustee.

Interest

The Rate of Interest on the Notes will be payable by reference to successive Note Interest Periods. Interest on the GBP Notes and the EUR Notes will accrue on a daily basis and will be payable in arrears in GBP or EUR, as applicable, on each Note Payment Date.

The Rate of Interest applicable to the GBP Notes of each Class for any Note Interest Period will be the rate offered in the London inter-bank market for three-month deposits in sterling (subject to, in respect of the first Note Interest Period, an interpolated interest rate based on one-month and three-month deposits in Sterling which will be substituted for three-month LIBOR) (as more specifically determined by the Agent Bank in accordance with Condition 5.4(f)(iii) (provided that, in accordance with Condition 5.4(f), if LIBOR is below zero, it will be deemed to be zero)) plus (b) the Relevant Margin.

The Rate of Interest applicable to the EUR Notes of each Class for any Note Interest Period will be the rate offered in the Eurozone inter-bank market for three-month deposits in euro (subject to, in respect of the first Note Interest Period, an interpolated interest rate based on one-month and three-month deposits in Euro which will be substituted for three-month EURIBOR) (as more specifically determined by the Agent Bank in accordance with Condition 5.4(f)(iii) (provided that, in accordance with Condition 5.4(f), if EURIBOR is below zero, it will be deemed to be zero)) plus (b) the Relevant Margin.

The Relevant Margin is as follows:

Class GBP-A	Class GBP-B	Class GBP-C	Class GBP-D	Class GBP-E	Class GBP-F
1.30% (Actual/ 365)	1.60% (Actual/ 365)	1.90% (Actual/ 365)	2.75% (Actual/ 365)	3.50% (Actual/ 365)	4.50% (Actual/ 365)
Class EUR-A	Class EUR-B	Class EUR-C	Class EUR-D	Class EUR-E	
1.20% (Actual/360)	1.60% (Actual/360)	2.00% (Actual/360)	2.90% (Actual/360)	3.90% (Actual/360)	

The Rate of Interest payable from time to time in respect of each Class of Notes will be determined by the Agent Bank:

(a) at, or as soon as practicable after, 11:00 a.m. (London time with respect to any GBP Note and Brussels time with respect to any EUR Note) on the Quotation Day relating to each Note Interest Period for which the rate will apply; or

(b) in the case of the first Note Interest Period, on the Closing Date.

Available Funds Cap

If on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class GBP-E Notes on that date is in excess of the Class GBP-E Adjusted Interest Payment Amount, and such excess is attributable to a reduction in the interest-bearing balance of the Securitised GBP Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class GBP-E Notes will be subject to a cap (the **Class GBP-E Available Funds Cap**) at the Class GBP-E Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class GBP-E Notes that would otherwise be due on such Note Payment Date.

For these purposes, **Class GBP-E Adjusted Interest Payment Amount** means, on any Note Payment Date, an amount equal to the amount by which:

- (a) the GBP Available Funds available for distribution under the GBP Pre-Enforcement Priority of Payments; exceed
- (b) the sum of all amounts payable out of GBP Available Funds under the GBP Pre-Enforcement Priority of Payments on that date, in priority to payments of interest on the Class GBP-E Notes,

and will in any event not be less than zero.

If on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class GBP-F Notes on that date is in excess of the Class GBP-F Adjusted Interest Payment Amount, and such excess is attributable to a reduction in the interest-bearing balance of the Securitised GBP Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class GBP-F Notes will be subject to a cap (the **Class GBP-F Available Funds Cap**) at the Class GBP-F Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class GBP-F Notes that would otherwise be due on such Note Payment Date.

For these purposes, **Class GBP-F Adjusted Interest Payment Amount** means, on any Note Payment Date, an amount equal to the amount by which:

- (a) the GBP Available Funds available for distribution under the GBP Pre-Enforcement Priority of Payments; exceed
- (b) the sum of all amounts payable out of GBP Available Funds under the GBP Pre-Enforcement Priority of Payments on that date, in priority to payments of interest on the Class GBP-F Notes,

and will in any event not be less than zero.

If, on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class EUR-D Notes on that date is in excess of the Class EUR-D Adjusted Interest Payment Amount, and such excess is attributable to a reduction in the interest-bearing balance of the Securitised EUR Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class EUR-D Notes will be subject to a cap (the **Class EUR-D Available Funds Cap**) at the Class EUR-D Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class EUR-D Notes that would otherwise be due on such Note Payment Date.

For these purposes, **Class EUR-D Adjusted Interest Payment Amount** means on any Note Payment Date, an amount equal to the amount by which:

- (a) EUR Available Funds available for distribution under the EUR Pre-Enforcement Priority of Payments; exceed:
- (b) the sum of all amounts payable out of EUR Available Funds under the EUR Pre-Enforcement Priority of Payments on that date, in priority to payments of interest on the Class EUR-D Notes,

and will in any event not be less than zero.

If, on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class EUR-E Notes on that date is in excess of the Class EUR-E Adjusted Interest Payment Amount, and such excess is attributable to a reduction in the interest-bearing balance of the Securitised EUR Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class EUR-E Notes will be subject to a cap (the **Class EUR-E Available Funds Cap**) at the Class EUR-E Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class EUR-E Notes that would otherwise be due on such Note Payment Date.

For these purposes, **Class EUR-E Adjusted Interest Payment Amount** means on any Note Payment Date, an amount equal to the amount by which:

- (a) EUR Available Funds available for distribution under the EUR Pre-Enforcement Priority of Payments; exceed:
- (b) the sum of all amounts payable out of EUR Available Funds under the EUR Pre-Enforcement Priority of Payments on that date, in priority to payments of interest on the Class EUR-E Notes,

and will in any event not be less than zero.

Note Prepayment Fees

Senior GBP Loan Prepayment Fees and Senior EUR Loan Prepayment Fees (collectively, **Senior Loan Prepayment Fees**) are payable by the Senior Borrowers in accordance with the prepayment provisions in the Senior Facility Agreement. A **Note Prepayment Fee** will be payable by the Issuer in respect of those Classes of Notes which have been subject to a mandatory redemption in part by reason of a prepayment of the Securitised Loans in circumstances where such prepayment has resulted in Senior Loan Prepayment Fees being payable by the Senior Borrowers on the relevant Securitised Loan. Under the Senior Facility Agreement, in certain prepayment circumstance (such as prepayments due to illegality), the Senior Borrowers will not be required to pay Senior Loan Prepayment Fees

and, consequently, in such circumstances, Note Prepayment Fees will not be payable by the Issuer with respect to such prepayments. See “*Description of the Senior Facility Agreement—Senior Facility Agreement—Prepayments*” for further information.

Each Note Prepayment Fee will consist of a yield maintenance amount based on the Relevant Margin on the amount prepaid from the date of prepayment until 17 December 2015. To the extent that Senior Loan Prepayment Fees paid under the Securitised GBP Loan or, as applicable, the Securitised EUR Loan exceed the relevant aggregate required Note Prepayment Fees, such excess will form part of the GBP-X Certificates Distribution Amount or, if applicable, the EUR-X Certificates Distribution Amount.

Note Prepayment Fees will only be payable as described above to the extent such fees have been paid by the relevant Senior Borrower.

The ratings assigned to the Notes do not address payment of any Note Prepayment Fees in respect of the Notes.

Deferral of Interest

To the extent that, on any Note Payment Date other than the Final Note Maturity Date, there are insufficient GBP Available Funds to pay the full amount of interest due on any Class of GBP Notes (other than GBP Non-Excess Interest on the Most Senior Class of GBP Notes then outstanding), the amount of the shortfall in interest (including any interest which comprises Note LIBOR Excess Amounts) (the **GBP Deferred Interest**) will not fall due on that Note Payment Date. Instead, the Issuer will, in respect of each affected Class of GBP Notes, create a provision in its accounts for the related GBP Deferred Interest on the relevant Note Payment Date. Such GBP Deferred Interest will not accrue interest and such amounts will (subject to the Class GBP-E Available Funds Cap and the Class GBP-F Available Funds Cap, as applicable) be payable on the earlier of (i) any succeeding Note Payment Date when any such GBP Deferred Interest shall be paid, but only if and to the extent that, on such Note Payment Date, there are sufficient GBP Available Funds, after deducting amounts ranking in priority to the relevant Class of GBP Notes in accordance with the GBP Pre-Enforcement Priority of Payments, and (ii) the date on which the relevant GBP Notes are due to be redeemed in full, subject to the Conditions.

To the extent that, on any Note Payment Date other than the Final Note Maturity Date, there are insufficient EUR Available Funds to pay the full amount of interest due on any Class of EUR Notes (other than EUR Non-Excess Interest on the Most Senior Class of EUR Notes then outstanding), the amount of the shortfall in interest (including any interest which comprises Note EURIBOR Excess Amounts) (the **EUR Deferred Interest**) will not fall due on that Note Payment Date. Instead, the Issuer will, in respect of each affected Class of EUR Notes, create a provision in its accounts for the related EUR Deferred Interest on the relevant Note Payment Date. Such EUR Deferred Interest will not accrue interest and such amounts will (subject to the Class EUR-D Available Funds Cap and the Class EUR-E Available Funds Cap, as applicable) be payable on the earlier of (i) any succeeding Note Payment Date when any such

EUR Deferred Interest shall be paid, but only if and to the extent that on such Note Payment Date there are sufficient EUR Revenue Receipts, after deducting amounts ranking in priority to the relevant Class of EUR Notes in accordance with the EUR Pre-Enforcement Priority of Payments, and (ii) the date on which the relevant EUR Notes are due to be redeemed in full, subject to the Conditions.

Most Senior Class of Notes

Most Senior Class of GBP Notes means at any time:

- (a) the Class GBP-A Notes;
- (b) if no Class GBP-A Notes are then outstanding, the Class GBP-B Notes (if at that time any Class GBP-B Notes are then outstanding);
- (c) if no Class GBP-A Notes or Class GBP-B Notes are then outstanding, the Class GBP-C Notes (if at that time any Class GBP-C Notes are then outstanding);
- (d) if no Class GBP-A Notes, Class GBP-B Notes or Class GBP-C Notes are then outstanding, the Class GBP-D Notes (if at that time any Class GBP-D Notes are then outstanding);
- (e) if no Class GBP-A Notes, Class GBP-B Notes, Class GBP-C Notes or Class GBP-D Notes are then outstanding, the Class GBP-E Notes (if at that time any Class GBP-E Notes are then outstanding); or
- (f) if no Class GBP-A Notes, Class GBP-B Notes, Class GBP-C Notes, Class GBP-D Notes or Class GBP-E Notes are then outstanding, the Class GBP-F Notes (if at that time any Class GBP-F Notes are then outstanding).

Most Senior Class of EUR Notes means at any time:

- (a) the Class EUR-A Notes;
- (b) if no Class EUR-A Notes are then outstanding, the Class EUR-B Notes (if at that time any Class EUR-B Notes are then outstanding);
- (c) if no Class EUR-A Notes or Class EUR-B Notes are then outstanding, the Class EUR-C Notes (if at that time any Class EUR-C Notes are then outstanding);
- (d) if no Class EUR-A Notes, Class EUR-B Notes or Class EUR-C Notes are then outstanding, the Class EUR-D Notes (if at that time any Class EUR-D Notes are then outstanding); or
- (e) if no Class EUR-A Notes, Class EUR-B Notes, Class EUR-C Notes or Class EUR-D Notes are then outstanding, the Class EUR-E Notes (if at that time any Class EUR-E Notes are then outstanding).

Most Senior Class of Notes means at any time, in respect of the GBP Notes, the Most Senior Class of GBP Notes and, in respect of the EUR Notes, the Most Senior Class of EUR Notes.

Interest Excess Amounts

For each Note Interest Period commencing on or after the Expected Note Maturity Date (as may be extended), the amount of interest (if any) due on any class of the GBP Notes which represents the amount by which Note three-month LIBOR exceeds 8.0 per cent. per annum will be a **Note LIBOR Excess Amount**.

Payment of the Note LIBOR Excess Amount on any class of GBP Notes will be subordinated to, *inter alia*, the payment of all other amounts of interest due on the GBP Notes of each Class of GBP Notes under the GBP Pre-Enforcement Priority of Payments, and will be subordinated to, *inter alia*, the payments of all other amounts of interest and all repayments of principal due on the GBP Notes of each Class of GBP Notes under the GBP Post-Enforcement Priority of Payments.

GBP Non-Excess Interest means (a) for each Note Interest Period commencing prior to the Expected Note Maturity Date, all interest on the GBP Notes, and (b) for each Note Interest Period commencing on or after the Expected Note Maturity Date, all interest on the GBP Notes other than Note LIBOR Excess Amounts.

For each Note Interest Period commencing on or after the Expected Note Maturity Date (as may be extended), the amount of interest (if any) due on any Class of the EUR Notes which represents the amount by which Note three-month EURIBOR exceeds 8.0 per cent. per annum will be a **Note EURIBOR Excess Amount**.

Payment of the Note EURIBOR Excess Amount on any Class of EUR Notes will be subordinated to, *inter alia*, the payment of all other amounts of interest due on the EUR Notes of each Class of EUR Notes under the EUR Pre-Enforcement Priority of Payments, and will be subordinated to, *inter alia*, the payments of all other amounts of interest and all repayments of principal due on the EUR Notes of each Class of EUR Notes under the EUR Post-Enforcement Priority of Payments.

EUR Non-Excess Interest means (i) for each Note Interest Period commencing prior to the Expected Note Maturity Date, all interest on the EUR Notes, and (ii) for each Note Interest Period commencing on or after the Expected Note Maturity Date, all interest on the EUR Notes other than Note EURIBOR Excess Amounts.

The ratings assigned to the Notes do not address payment of any Note LIBOR Excess Amounts (in the case of the GBP Notes), Note EURIBOR Excess Amounts (in the case of the EUR Notes).

Taxation

As described in Condition 8 (Taxation), all payments in respect of the 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 or 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 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 Notes in respect of such withholding or deduction.

Redemption summary

By way of summary, the Notes are subject to the following optional or mandatory redemption events:

- (a) mandatory redemption in whole on the Final Note Maturity Date, as fully set out in Condition 7.1 (Final redemption of the Notes);
- (b) mandatory redemption in part on each Note Payment Date in an amount equal to principal receipts received by the Issuer, as more fully set out in Condition 7.2 (Mandatory Redemption from Principal Receipts);
- (c) optional redemption exercisable by the Issuer in whole for, *inter alia*, tax reasons on any Note Payment Date following delivery of notice of the relevant tax event, as fully set out in Condition 7.3 (Optional redemption for tax and other reasons); and
- (d) optional redemption exercisable by the Issuer in whole on any Note Payment Date on which the aggregate Principal Amount Outstanding of the Notes is (or will be) less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date, as fully set out in Condition 7.4 (Optional redemption in full).

Any Note redeemed in whole or in part pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with:

- (a) accrued (and unpaid) interest on the Principal Amount Outstanding of the Notes; and
- (b) other accrued but unpaid amounts on,

the relevant Note up to (but excluding) the date of redemption.

Final redemption

Unless previously redeemed in full and cancelled, the Issuer will redeem the Notes at their respective Principal Amount Outstanding together with accrued interest on the Final Note Maturity Date as fully set out in Condition 7.1 (Final redemption of the Notes).

Mandatory redemption from Principal Receipts

Prior to the service of a Note Acceleration Notice, as described in more detail in Condition 7.2 (Mandatory Redemption from Principal Receipts), each Class of Notes is subject to mandatory early redemption in part on each Note Payment Date in an amount not exceeding the principal receipts allocated to such Class on such Note Payment Date subject to the applicable Issuer Priority of Payments. (See “Cashflows and Issuer Priority of Payments—Pre-Enforcement Principal Allocation Rules” for further information).

Optional redemption for Tax and other reasons

As described in Condition 7.3 (Optional redemption for tax and other reasons), if either (i) by reason of a change in the tax law of the United Kingdom or any other jurisdiction, the Issuer or any Paying Agent on its behalf would be required to deduct or withhold from any payment of principal or interest in respect of any Note 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; (ii) 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 Notes or advances under the Senior Facility Agreement; or (iii) any amount payable by the Senior Borrowers in respect of the Securitised Loans is reduced or ceases to be receivable (whether or not actually received), the Issuer may in certain circumstances redeem all of the Notes in an amount equal to the then respective aggregate Principal Amounts Outstanding plus interest and other amounts accrued and unpaid thereon.

Optional Issuer redemption in full

As described in Condition 7.4 (Optional redemption in full), upon giving not more than 60 and not fewer than 30 days’ written notice to the Note Trustee, the Paying Agents and the Noteholders, the Issuer may redeem all of the Notes in full, provided that, immediately prior to such redemption, the then aggregate Principal Amount Outstanding of all the Notes is less than 10 per cent. of their Principal Amount Outstanding as at the Closing Date.

Note Maturity Plan

If any part of the Securitised GBP Loan or Securitised EUR Loan remains outstanding six months prior to the Final Note Maturity Date, the Special Servicer shall be required to prepare a draft Note Maturity Plan in respect of the GBP Notes or, as applicable, a draft Note Maturity Plan in respect of the EUR Notes and present the relevant Note Maturity Plan to the Issuer, the Note Trustee and the Issuer Security Trustee not later than 45 days after the date falling six months prior to the Final Note Maturity Date together with a statement of whether, in the opinion of the Special Servicer, all recoveries then anticipated by the Special Servicer with respect to the Securitised GBP Loan or Securitised EUR Loan (as applicable) (whether by enforcement of the relevant Senior Loan Security, sale of the relevant Securitised Loan, or otherwise) are reasonably likely to be realised in full prior to the Final Note Maturity Date. The Issuer, with the assistance of the Special Servicer, will publish the relevant Note Maturity Plan with the companies announcement office at the Irish Stock Exchange or the equivalent office of any other stock exchange on which the Notes may be listed (the **Regulatory Information Service**).

Note Maturity Plan means the selection of proposals prepared by the Special Servicer and presented to the Issuer, the GBP Noteholders or the EUR Noteholders (as applicable), the Note Trustee and the Issuer Security Trustee relating to the final disposal or other resolution of a Securitised Loan, which assumes that the GBP Notes or EUR Notes (as the case may be) are not repaid on the Final Note Maturity Date, and of which 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 enforcement of the relevant Issuer Security.

See “*Key terms of the servicing arrangements for the Securitised Loans and the Retained Tranche—Note Maturity Plan*” for further information.

Note Events of Default

The Note Events of Default are described in more detail in Condition 10 (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 three days in the payment of the principal of, default for a period of five days in the payment of and/or the interest on, the Most Senior Class of GBP Notes or the Most Senior Class of EUR Notes then outstanding in each case when and as the same becomes due and payable in accordance with the Conditions;
- (b) default by the Issuer in the performance or observance of any other obligation binding upon it under the Notes of any Class, the Trust Deed, the Issuer Deed of Charge or the other Issuer Transaction Documents and such default is not remedied within 14 days;
- (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; or
- (e) if insolvency proceedings are initiated against the Issuer, an administrator, administrative receiver, liquidator or similar officer is appointed by or in respect of the Issuer, or an encumbrancer takes possession of any of the assets of the Issuer.

Acceleration and enforcement

If a Note Event of Default has occurred and is continuing, the Note Trustee at its absolute discretion may, and if so requested in writing by either:

- (a) the holders of Notes outstanding constituting not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of GBP Notes or 25 per cent. of the Most Senior Class of EUR Notes then outstanding; or

- (b) if so directed by or pursuant to an Extraordinary Resolution of the holders of the Most Senior Class of GBP Notes or the Most Senior Class of EUR Notes then outstanding,

shall (in each case, subject to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give a Note Acceleration Notice to the Issuer and the Issuer Security Trustee declaring all the Notes to be immediately due and repayable in accordance with Condition 10 (Note Events of Default); provided that, pursuant to Condition 10.1(b), in the case of a Note Event of Default resulting from a default in payment on the Notes, of the payment relates to the Most Senior Class of GBP Notes only or the Most Senior Class of EUR Notes only, as applicable, the Note Trustee shall (subject to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction) be bound to serve a Note Acceleration Notice only if it receives a written request or direction of the type referred to in (a) or (b) above if such request or direction is given by the Most Senior Class of GBP Notes or the Most Senior Class of EUR Notes, as applicable.

Upon the giving of a Note Acceleration Notice in accordance with Condition 10.1 (Note Events), all Classes of the Notes then outstanding shall immediately become due and repayable at their Principal Amount Outstanding together with accrued interest (including, where applicable, GBP Deferred Interest or EUR Deferred Interest as the case may be) and other accrued and unpaid amounts as provided in the Trust Deed, as described in Condition 11 (Enforcement). The Issuer Security will become enforceable upon the giving of a Note Acceleration Notice in accordance with Condition 10.1 (for further information in respect of the voting rights applicable to the GBP Noteholders, the EUR Noteholders and the Retention Holder please see the sections headed “*Rights of Noteholders and relationship with other Secured Creditors—Required Majorities*” and “*—Retention Holder*”).

Limited recourse

As described in more detail in Condition 12 (Limit on Noteholder action, limited recourse and non-petition), the Notes are limited recourse obligations of the Issuer, and, if the Notes are not repaid in full following the Final Note 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 Noteholder action, limited recourse and non-petition), no 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 Notes will be governed by English law.

KEY CHARACTERISTICS OF THE CLASS X CERTIFICATES

Payments under the Class X Certificates On each Note Payment Date up to and including the Note Payment Date in falling in February 2016, the holder of a Class GBP-X1 Certificate will be entitled to be paid the GBP-X Certificates Distribution Amount. On each Note Payment Date following the Note Payment Date falling in February 2016, the holder of the Class GBP-X2 Certificate will be entitled to be paid the GBP-X Certificates Distribution Amount.

The **GBP-X Certificates Distribution Amount** on any Note Payment Date is the aggregate amount of interest (excluding, for the avoidance of doubt, interest accrued at Loan LIBOR and as a result of the application of any default rate under the Senior Facility Agreement, where applicable), Note Prepayment Fees and other amounts, other than repayments of principal, paid on the Securitised GBP Loan on the most recent Senior Loan Interest Payment Date under the Senior Facility, minus the aggregate of:

- (a) the GBP Administrative Fees that are payable by the Issuer on such Note Payment Date or that have been paid by the Issuer since the immediately preceding Note Payment Date; and
- (b) the aggregate amount of interest and Note Prepayment Fees payable on the GBP Notes on such Note Payment Date.

On each Note Payment Date up to and including the Note Payment Date in February 2016, the holder of the Class EUR-X1 Certificate will be entitled to be paid the EUR-X Certificates Distribution Amount. On each Note Payment Date following the Note Payment Date falling in February 2016, the holder of the Class EUR-X2 Certificate will be entitled to be paid the EUR-X Certificates Distribution Amount.

The **EUR-X Certificates Distribution Amount** on any Note Payment Date is the aggregate amount of interest (excluding, for the avoidance of doubt, interest accrued at Loan EURIBOR and as a result of the application of any default rate under the Senior Facility Agreement, where applicable), Note Prepayment Fees and other amounts, other than repayments of principal, paid on the Securitised EUR Loan on the most recent Senior Loan Interest Payment Date under the Senior Facility, minus the aggregate of:

- (a) the EUR Administrative Fees that are payable by the Issuer on such Note Payment Date or that have been paid by the Issuer since the immediately preceding Note Payment Date; and
- (b) the aggregate amount of interest and Note Prepayment Fees payable on the EUR Notes on such Note Payment Date.

Class X Trigger Event

A **Class X Trigger Event** means the first to occur of:

- (a) a Note Payment Date after the Expected Note Maturity Date;
- (b) a Special Servicing Transfer Event; and
- (c) the delivery of a Note Acceleration Notice.

Following the occurrence of a Class X Trigger Event, payment of Subordinated GBP-X Certificates Amounts will be subordinated to the payments of interest on all other Classes of GBP Notes. Subordinated GBP-X Certificates Amounts will only be paid if there are sufficient GBP Revenue Receipts on the relevant Note Payment Date to pay such amounts on such Note Payment Date after all the prior ranking items have been paid or provided for.

Subordinated GBP-X Certificates Amounts means all GBP-X Certificates Distribution Amounts accruing after the occurrence of a Class X Trigger Event.

Following the occurrence of a Class X Trigger Event, payment of Subordinated EUR-X Certificates Amounts will be subordinated to the payments of interest on all other Classes of EUR Notes. Subordinated EUR-X Certificates Amounts will only be paid if there are sufficient EUR Revenue Receipts on the relevant Note Payment Date to pay such amounts on such Note Payment Date after all the prior ranking items have been paid or provided for.

Subordinated EUR-X Certificates Amounts means all EUR-X Certificates Distribution Amounts accruing after the occurrence of a Class X Trigger Event.

Taxation

As described in Condition 8 (Taxation) of the Class X Certificates Conditions, all payments in respect of the Class X Certificates 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 or 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 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 X Certificates in respect of such withholding or deduction.

Class X Entrenched Rights

Any modification of the definitions of (a) the GBP-X Certificates Distribution Amount, the EUR-X Certificates Distribution Amount, any Relevant Margin, the GBP Administrative Fees or the EUR Administrative Fees or (b) the ability of the Servicer or Special Servicer to reduce the interest rate on any Securitised Loan at any time prior to the Final Senior Loan Repayment Date of the Securitised Loans will require the prior written consent of the GBP-X Certificateholders and the EUR-X Certificateholders.

Limited recourse

As described in more detail in Condition 9.3 (Limited Recourse) of the Class X Certificates Conditions, the Class X Certificates are limited recourse obligations of the Issuer.

Non-petition

As described in more detail in Condition 9.2 (Limitations on Enforcement) of the Class X Certificates Conditions, no Class X Certificateholder shall be entitled to proceed directly against the Issuer or any other party to any of the Issuer Transaction Documents to enforce the performance of any of the Class X Certificates Conditions.

Governing law

The Class X Certificates will be governed by English law.

RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER ISSUER SECURED CREDITORS

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

Convening meeting

As described in more detail in the Conditions of the Notes, 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 Notes of the relevant Class or Classes of GBP Notes and/or, as applicable, EUR Notes and subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, convene a meeting or meetings of the Noteholders of such Class or Classes of Notes.

For the purposes of these voting provisions, **Opposite Currency Series** means, in respect of the GBP Notes, the EUR Notes, and, in respect of the EUR Notes, the GBP Notes.

The Retention Holder shall be entitled as if it were a holder of Notes of the relevant Class to attend any meeting, count in the aggregate Principal Amount Outstanding of the Notes or the relevant Class of Notes, and in the quorum and vote in respect of any Ordinary Resolution or Extraordinary Resolution (or any Written Ordinary Resolution or Written Extraordinary Resolution, as applicable) of the Noteholders or any Class of Noteholders in respect of amendments, waivers, modifications or consents in relation to the Senior GBP Loan or the Senior EUR Loan, any potential workout, restructuring or enforcement strategy to be discussed or approved or any replacement or appointment of the Servicer, Special Servicer or any Operating Advisor, including and any consultation or approval in respect of the final Note Maturity Plan (a **Retained Tranche Related Matter**), except that the Retention Holder will not be entitled to attend, count in the quorum or vote in respect of any Ordinary Resolution, Extraordinary Resolution, Written Ordinary Resolution or Written Extraordinary Resolution in relation to any meeting, vote or consultation in relation to a decision to require the Loan Seller to repurchase the Securitised GBP Loan or the Securitised EUR Loan (or the Issuer’s interest in the Common Transaction Security in respect thereof) following a material breach of any representation or warranty under the Loan Sale Agreement and such matters do not constitute Retained Tranche Related Matters.

Noteholders meeting provisions

Notice period

Quorum

Initial meeting

14 clear days

One or more persons present holding Notes or voting certificates in respect thereof or being proxies representing in the aggregate not less than, for an Ordinary Resolution or an

Adjourned meeting

7 clear days

One or more persons present holding Notes or voting certificates in respect thereof or being proxies representing Noteholders of the relevant Class regardless of the Principal

	<p>Extraordinary Resolution, 50.1 per cent. of the Principal Amount Outstanding of the Notes (or the relevant Class thereof). A meeting to consider a Basic Terms Modification will require one or more persons present holding Notes or voting certificates in respect thereof or proxies representing not less than 75 per cent. of the Principal Amount Outstanding of the Notes (or the relevant Class thereof).</p>	<p>Amount Outstanding of such Class of Notes so held or represented provided that, with respect to an adjourned meeting to consider a Basic Terms Modification, such person(s) must hold or represent at least 33¹/₃ per cent. of the Principal Amount Outstanding of the relevant Class of Notes.</p>
<p>Required majorities</p>	<p>The majority required for passing an Extraordinary Resolution at any duly convened and quorate meeting of Noteholders will be at least 75 per cent. of votes cast.</p> <p>The majority required for passing an Ordinary Resolution at any duly convened and quorate meeting of Noteholders will be at least 50.1 per cent. of votes cast.</p>	
<p>Retention Holder</p>	<p>For the purposes of determining the aggregate Principal Amount Outstanding of the Notes or the relevant Class of Notes or the quorum at a meeting of Noteholders or Noteholders of any Class and/or for determining the voting of the Noteholder or such Class of Noteholders, in respect of voting in respect of (or passing in writing) an Ordinary Resolution or an Extraordinary Resolution in relation to a Retained Tranche Related Matter:</p> <p>(a) each holder of any such Notes shall be deemed to hold and to have voting rights reflecting 95 per. cent of the actual aggregate Principal Amount Outstanding of Notes held by such holder for such purposes; and</p> <p>(b) the Retention Holder shall be deemed to be a Noteholder or a Noteholder of such Class of Notes and shall be deemed to hold and to have voting rights in respect of 5 per cent. of the actual aggregate Principal Amount Outstanding of the Notes or such Class of Notes for such purposes.</p>	
<p>Written resolutions</p>	<p>An Extraordinary Resolution passed in writing by holders of not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes (a Written Extraordinary Resolution) will have the same effect as an Extraordinary Resolution.</p> <p>An Ordinary Resolution passed in writing by holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the relevant Class of Notes (a Written Ordinary Resolution and, together with a Written Extraordinary Resolution, a Written Resolution) will have the same effect as an Ordinary Resolution.</p>	

Extraordinary Resolution

means in respect of the Noteholders of any Class of Notes:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll; or
- (b) a Written Extraordinary Resolution (being, a resolution in writing signed by or on behalf of the Noteholders of not less than 75 per cent. in aggregate Principal Amount Outstanding of the 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 Noteholders).

Ordinary Resolution

in respect of the Noteholders or any Class of Noteholders means:

- (a) a resolution passed at a meeting duly convened and held in accordance with the 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 simple majority of the votes cast on such poll; or
- (b) a Written Ordinary Resolution (being, a resolution in writing signed by or on behalf of the Noteholders of not less than a clear majority consisting of not less than 50.1 per cent. in aggregate Principal Amount Outstanding of the Notes or of the Notes outstanding of such Class, 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 Noteholders).

Basic Terms Modification

Any Extraordinary Resolution of any Class of Notes which would have the effect of sanctioning any matter referred to in the definition below of:

- (a) GBP Basic Terms Modification;
- (b) EUR Basic Terms Modification; or
- (c) GBP/EUR Basic Terms Modification,

will, in each case, constitute a **Basic Terms Modification**.

GBP Basic Terms Modification

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

- (a) a modification of the date of maturity of any GBP Notes;
- (b) a reduction in the amount of principal or the rate of interest payable in respect of any GBP Notes;
- (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 any GBP Notes;

- (d) any alteration of the currency of payment of any GBP Notes;
- (e) a modification to Clause 12 (Operating Advisors) of the Servicing Agreement with respect to the GBP Operating Advisor;
- (f) a modification to the definition of GBP Controlling Class;
- (g) a release of the Issuer Security (or any part thereof) pertaining to the Senior GBP Loans or the GBP Notes other than in accordance with the provisions of the Issuer Transaction Documents (but without prejudice to the Note Trustee's and the Issuer Security Trustee's ability to exercise their respective powers and discretions under the Trust Deed and the Issuer Deed of Charge); or
- (h) a modification of the definition of GBP Basic Terms Modification or the quorum or majority required to effect a GBP Basic Terms Modification,

will, in each case, constitute a **GBP Basic Terms Modification**; provided, in any such case that the Note Trustee has provided a determination that the passing of the relevant Extraordinary Resolution would not be materially prejudicial to the holders of the EUR Notes of any Class.

EUR Basic Terms Modification

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

- (a) a modification of the date of maturity of any EUR Notes;
- (b) a reduction in the amount of principal or the rate of interest payable in respect of any EUR Notes;
- (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 any EUR Notes;
- (d) any alteration of the currency of payment of any EUR Notes;
- (e) a modification to Clause 12 (Operating Advisors) of the Servicing Agreement with respect to the EUR Operating Advisor;
- (f) a modification to the definition of EUR Controlling Class;
- (g) a release of the Issuer Security (or any part thereof) pertaining to the Senior EUR Loan or the EUR Notes other than in accordance with the provisions of the Issuer Transaction Documents (but without prejudice to the Note Trustee's and the Issuer Security Trustee's ability to exercise their respective powers and discretions under the Trust Deed and the Issuer Deed of Charge); or

- (h) a modification of the definition of EUR Basic Terms Modification or the quorum or majority required to effect a EUR Basic Terms Modification,

will, in each case, constitute a **EUR Basic Terms Modification**; provided, in any such case that the Note Trustee has provided a determination that the passing of the relevant Extraordinary Resolution would not be materially prejudicial to the holders of the GBP Notes of any Class.

GBP/EUR Basic Terms Modification

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

- (a) a modification of the definition of Basic Terms Modification or this definition of GBP/EUR Basic Terms Modification or the quorum or majority required to effect a Basic Terms Modification or GBP/EUR Basic Terms Modification;
- (b) any Reserved Matter; or
- (c) any other matter contained in the definition of GBP Basic Terms Modification or EUR Basic Terms Modification, as applicable, in cases where the Note Trustee has not made a determination that the passing of the proposed GBP Extraordinary Resolution, or, as applicable, the proposed EUR Extraordinary Resolution, would not be materially prejudicial to the interests of the holders of the Notes comprised in the Opposite Currency Series,

will, in each case, constitute a **GBP/EUR Basic Terms Modification**.

Reserved Matter

Any matter involving:

- (a) any alteration of the currency of payment of the Senior Loans;
- (b) an extension of the Final Senior Loan Repayment Date with respect to any Senior Loan but without prejudice to the rights of the Senior Borrowers to twice extend the Senior Loans by a period of one year or to the ability of the Issuer to agree to a standstill period in connection with a Senior Loan Event of Default in respect of a Senior Loan in accordance with, and subject to the restrictions set out in, the Servicing Agreement;
- (c) any change to the amount of principal, the rate of interest or Senior Loan Prepayment Fees payable in respect of a Senior Loan (except in the case of an enforcement or other similar realisation of the Senior Loan Security in respect of the Senior Loans); or
- (d) a modification of the definition of Reserved Matter.

GBP Extraordinary Resolution

means in respect of the GBP Noteholders an Extraordinary Resolution of any Class of GBP Notes.

Matters requiring a GBP Extraordinary Resolution

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

- (a) a GBP Basic Terms Modification or a GBP/EUR Basic Terms Modification (which will also require an EUR Extraordinary Resolution of each Class of EUR Notes); or
- (b) a modification of the GBP Notes or the Trust Deed (including the Conditions) or the provisions of any of the other Issuer Transaction Documents as the same pertain to the GBP Notes, as well as any matter pertaining to the GBP Notes requiring the passing of an Extraordinary Resolution as set out in, or permitted by, the Trust Deed, where such matter does not require the passing of a Basic Terms Modification provided also, that in each case the Note Trustee has determined that the passing of the proposed Extraordinary Resolution would not be materially prejudicial to the interests of the holders of the EUR Notes.

EUR Extraordinary Resolution

means in respect of the EUR Noteholders an Extraordinary Resolution of any Class of EUR Notes.

Matters requiring a EUR Extraordinary Resolution

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

- (a) an EUR Basic Terms Modification or a GBP/EUR Basic Terms Modification (which will also require a GBP Extraordinary Resolution of each Class of GBP Notes); or
- (b) a modification of the EUR Notes or the Trust Deed (including the Conditions) or the provisions of any of the other Issuer Transaction Documents as the same pertain to the EUR Notes, as well as any matter pertaining to the EUR Notes requiring the passing of an Extraordinary Resolution as set out in, or permitted by, the Trust Deed, where such matter does not require the passing of a Basic Terms Modification, provided also, that in each case the Note Trustee has determined that the passing of the proposed Extraordinary Resolution would not be materially prejudicial to the interests of the holders of the GBP Notes.

GBP/EUR Extraordinary Resolution

means in respect of the Noteholders of any Class of Notes an Extraordinary Resolution that is not a GBP Extraordinary Resolution or an EUR Extraordinary Resolution.

***Matters requiring a
GBP/EUR Extraordinary
Resolution***

The following matters may be passed only by way of a GBP/EUR Extraordinary Resolution (including by way of negative consent):

- (a) any Extraordinary Resolution (other than in respect of a Basic Terms Modification), where the Note Trustee has not made a determination that the passing of the proposed GBP Extraordinary Resolution, or, as applicable, the EUR Extraordinary Resolution, would not be materially prejudicial to the interests of the holders of the Notes of the Opposite Currency Series; or
- (b) the removal of the Servicer for any reasons or no reason by the relevant Classes of Noteholders in accordance with the terms of the Servicing Agreement.

***Matters requiring Ordinary
Resolution***

The following matters may be passed by way of an Ordinary Resolution (including by way of negative consent):

- (a) any matter referred to in the definition of GBP Ordinary Resolution;
- (b) any matter referred to in the definition of EUR Ordinary Resolution; or
- (c) any matter referred to in the definition of GBP/EUR Ordinary Resolution.

GBP Ordinary Resolution

means in respect of the GBP Noteholders an Ordinary Resolution of any Class of GBP Notes to:

- (a) instruct the Servicer or Special Servicer to commission a desktop valuation for the purpose of determining the GBP Controlling Class;
- (b) approve a Note Maturity Plan in respect of GBP Notes (provided that the Note Trustee has determined that the implementation of the Note Maturity Plan would not materially prejudice the interests of the holders of the EUR Notes); or
- (c) resolve any other matter that does not require an Extraordinary Resolution; provided that the Note Trustee has determined that the passing of the relevant Ordinary Resolution would not be materially prejudicial to the interests of the holders of the EUR Notes.

EUR Ordinary Resolution

means in respect of the EUR Noteholders an Ordinary Resolution of any Class of EUR Notes to:

- (a) instruct the Servicer or Special Servicer to commission a desktop valuation for the purpose of determining the EUR Controlling Class;

- (b) approve a Note Maturity Plan in respect of EUR Notes (provided that the Note Trustee has determined that the implementation of the Note Maturity Plan would not materially prejudice the interests of the holders of the GBP Notes); or
- (c) to resolve any other matter that does not require an Extraordinary Resolution; provided that the Note Trustee has determined that the passing of the relevant Ordinary Resolution would not be materially prejudicial to the interests of the holders of the GBP Notes.

GBP/EUR Ordinary Resolution

means any Ordinary Resolution of the GBP Notes or the EUR Notes of any Class to:

- (a) remove the Note Trustee, the Issuer Security Trustee, the Servicer (for cause in accordance with the terms of the Servicing Agreement), the Special Servicer (for cause in accordance with the terms of the Servicing Agreement), the Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, the Registrar or the Corporate Services Provider; or
- (b) to resolve any other matter that does not require an Extraordinary Resolution in cases where the Note Trustee has not made a determination that the passing of the proposed GBP Ordinary Resolution, or, as applicable, EUR Ordinary Resolution would not be materially prejudicial to the interests of the holders of the Notes of the Opposite Currency Series.

Relationship between Classes of Noteholders and binding effect of resolutions

In respect of any proposed resolution (other than a resolution proposed as a GBP/EUR Basic Terms Modification, a GBP/EUR Extraordinary Resolution, a GBP/EUR Ordinary Resolution or a veto resolution) of Noteholders of a Class of Notes (the **Proposing Class**), the Note Trustee must first be requested by the Proposing Class to determine whether: (a) in cases where the Proposing Class is a Class or Classes of GBP Notes, the passing of the proposed resolution would not be materially prejudicial to the holders of a Class or Classes of EUR Notes, or (b) in cases where the Proposing Class is a Class or Classes of EUR Notes, the passing of the proposed resolution would not be materially prejudicial to the holders of a Class or Classes of GBP Notes (any such determination, an **Opposite Currency Series No Material Prejudice Determination**).

If, in the case of:

- (a) any GBP Ordinary Resolution; or
- (b) any GBP Extraordinary Resolution (including a GBP Extraordinary Resolution in respect of a GBP Basic Terms Modification),

the Note Trustee makes an Opposite Currency Series No Material Prejudice Determination, any such GBP Ordinary Resolution or, as applicable, GBP Extraordinary Resolution duly passed by the holders of the relevant Class or Classes of GBP Notes will be binding upon the holders of the EUR Notes.

Similarly, if, in the case of:

- (a) any EUR Ordinary Resolution; or
- (b) any EUR Extraordinary Resolution (including an EUR Extraordinary Resolution in respect of an EUR Basic Terms Modification),

the Note Trustee makes an Opposite Currency Series No Material Prejudice Determination, any such EUR Ordinary Resolution or, as applicable, EUR Extraordinary Resolution duly passed by the holders of the relevant Class or Classes of EUR Notes will be binding upon the holders of the GBP Notes.

However, if, in the case of any such Ordinary Resolution or Extraordinary Resolution, the Note Trustee has not made an Opposite Currency Series No Material Prejudice Determination, the following shall apply:

- (a) in the case of a GBP Extraordinary Resolution (other than a GBP Extraordinary Resolution pertaining to a GBP Basic Terms Modification) or, as applicable, an EUR Extraordinary Resolution (other than an EUR Extraordinary Resolution pertaining to an EUR Basic Terms Modification) (in each such case, the **Original Extraordinary Resolution**) presented as a GBP/EUR Extraordinary Resolution pursuant to Condition 13.2 (*Extraordinary Resolution or an Ordinary Resolution of the Noteholders—GBP/EUR Extraordinary Resolution or a GBP/EUR Ordinary Resolution of the GBP/EUR Noteholders*) and duly passed by the holders of the relevant Class or Classes of GBP Notes or EUR Notes, as applicable, the relevant Original Extraordinary Resolution will not be binding on the holders of the Notes of the Opposite Currency Series if within 60 days of notice of the passing of such Original Extraordinary Resolution being sent in accordance with the Conditions, the holders of the Most Senior Class of Notes comprised in the Opposite Currency Series pass an Extraordinary Resolution (which will be binding on the Noteholders of all Classes of the Opposite Currency Series) rejecting the Original Extraordinary Resolution (an **Extraordinary Resolution Veto**). Upon the passing of the Extraordinary Resolution Veto, the Original Extraordinary Resolution shall be deemed to have failed, and shall be of no further force or effect, but without prejudice to the ability of a person or persons entitled to propose resolutions generally to propose a further Extraordinary Resolution for consideration. For the avoidance of doubt, if no Extraordinary Resolution Veto is passed the Original Extraordinary Resolution shall be binding on the Noteholders of all Classes of Notes of the Opposite Currency Series;
- (b) in the case of a GBP Ordinary Resolution, or, as applicable, an EUR Ordinary Resolution (in each such case, the **Original Ordinary Resolution**) presented as a GBP/EUR Ordinary Resolution pursuant to Condition 13.2 (*Extraordinary*

Resolution or an Ordinary Resolution of the Noteholders— GBP/EUR Extraordinary Resolution or a GBP/EUR Ordinary Resolution of the GBP/EUR Noteholders) and duly passed by the holders of the relevant Class or Classes of GBP Notes or EUR Notes, as applicable, the relevant Original Ordinary Resolution will not be binding on the holders of the Notes of the Opposite Currency Series if within 60 days of notice of the passing of such Original Ordinary Resolution being sent in accordance with the Conditions, the holders of the Most Senior Class of Notes comprised in the Opposite Currency Series pass an Ordinary Resolution (which will be binding on the Noteholders of all Classes of the Opposite Currency Series) rejecting the Original Ordinary Resolution (an **Ordinary Resolution Veto**). Upon the passing of the Ordinary Resolution Veto, the Original Ordinary Resolution shall be deemed to have failed, and shall be of no further force or effect, but without prejudice to the ability of a person or persons entitled to propose resolutions generally to propose a further Ordinary Resolution for consideration. For the avoidance of doubt, if no Ordinary Resolution Veto is passed the Original Ordinary Resolution shall be binding on the Noteholders of all Classes of Notes of the Opposite Currency Series; and

- (c) in the case of a GBP Extraordinary Resolution pertaining to a GBP Basic Terms Modification, or, as applicable, an EUR Extraordinary Resolution pertaining to an EUR Basic Terms Modification, the relevant Extraordinary Resolution will not be binding on the holders of the Notes of the Opposite Currency Series unless the matter has first been approved by an Extraordinary Resolution of the holders of all Classes of Notes of the Opposite Currency Series.

Subject to the provisions governing a Basic Terms Modification and to the provisions of the Conditions and the Trust Deed governing voting generally, an Extraordinary Resolution or an Ordinary Resolution passed at any meeting or duly signed by the required majority of GBP Noteholders (or any Class thereof) shall be binding on all GBP Noteholders (or, as the case may be, all GBP Noteholders of such Class) whether or not they are present at such meeting or signed such resolution. Similarly, subject to the provisions governing a Basic Terms Modification and to the provisions of the Conditions and the Trust Deed governing voting generally, an Extraordinary Resolution or an Ordinary Resolution passed at any meeting or duly signed by the required majority of EUR Noteholders (or any Class thereof) shall be binding on all EUR Noteholders (or, as the case may be, all EUR Noteholders of such Class) whether or not they are present at such meeting or signed such resolution.

An Ordinary Resolution or Extraordinary Resolution passed by a Class of GBP Noteholders will not be effective for any purpose unless either:

- (a) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class or Classes of GBP Noteholders senior to such Class of GBP Noteholders;
- (b) it is sanctioned by an Ordinary Resolution or Extraordinary Resolution (respectively) of each Class of GBP Noteholders senior to such Class of GBP Noteholders; or
- (c) none of the Classes of GBP Notes senior to such Class of GBP Notes remains outstanding.

An Extraordinary Resolution passed at any meeting of the Class GBP-A Noteholders, the Class GBP-B Noteholders, the Class GBP-C Noteholders or the Class GBP-D Noteholders will be binding on all Classes of GBP Noteholders junior to such Class, irrespective of the effect upon them, except an Extraordinary Resolution to sanction a Basic Terms Modification which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of each Class of GBP Noteholders junior to such Class.

An Ordinary Resolution or Extraordinary Resolution passed by a Class of EUR Noteholders will not be effective for any purpose unless either:

- (a) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class or Classes of EUR Noteholders senior to such Class of EUR Noteholders;
- (b) it is sanctioned by an Ordinary Resolution or Extraordinary Resolution (respectively) of each Class of EUR Noteholders senior to such Class of EUR Noteholders; or
- (c) none of the Classes of EUR Notes senior to such Class of EUR Notes remains outstanding.

An Extraordinary Resolution passed at any meeting of the Class EUR-A Noteholders, the Class EUR-B Noteholders, the Class EUR-C Noteholders or the Class EUR-D Noteholders will be binding on all Classes of EUR Noteholders junior to such Class, irrespective of the effect upon them, except an Extraordinary Resolution to sanction a Basic Terms Modification which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of each Class of EUR Noteholders junior to such Class.

As described in more detail in Condition 3.1 (Status and relationship between the Notes), for so long as any of the Notes are outstanding, the Note Trustee is required to have regard to the interests of the holders of the Notes equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where

expressly provided otherwise in the Trust Deed or the Conditions). Save in respect of a Basic Terms Modification, if, in the opinion of the Note Trustee, there is a conflict between one Class of Noteholders, on the one hand, and any other Class of Noteholders, on the other hand, the Note Trustee shall have regard only to the interests of the holders of the Most Senior Class of Notes in respect of which the conflict arises. If, in the opinion of the Note Trustee there is a conflict between interests of the holders of the GBP Notes and the interests of the holders of the EUR Notes, the Note Trustee shall refer such matter to the Noteholders to be resolved through resolutions passed by the Noteholders in accordance with the procedures described above.

***Relationship between
Noteholders and other Issuer
Secured Creditors***

In the Issuer Deed of Charge, each of the Issuer Secured Creditors acknowledges that in performing its duties as Issuer Security Trustee, the Issuer Security Trustee will take its instructions from the Note Trustee for so long as any of the Notes is outstanding and will not be required to take into account the interests of any other Issuer Secured Creditor except as otherwise expressly provided in the Issuer Deed of Charge.

***Disenfranchisement of Notes
held by the Senior Obligors,
their Affiliates or any
Sponsor Affiliates***

As described in more detail in the Condition 13.7 (Disenfranchised Holder), for the purposes of determining: (i) the quorum at any meeting of Noteholders considering an Extraordinary Resolution or an Ordinary Resolution or the majority of votes cast at such meeting; (ii) the holders of Notes for the purposes of giving any direction to the Note Trustee (or any other party); or (iii) the majorities required for any Written Resolution, the voting, objecting or directing rights attaching to any 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 Notes shall be treated as if they were not outstanding and shall not be counted in or towards any required quorum or majority. **Disenfranchised Holder** means the Issuer, Holdings, any Senior Obligor, an Affiliate of the Issuer, Holdings or such Senior Obligor or the Sponsor or any Sponsor Affiliate.

Sponsor Affiliate means the Sponsor, each of its Affiliates, any trust of which the Sponsor or any of its Affiliates is a trustee, any partnership of which the Sponsor or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, the Sponsor or any of its Affiliates provided that any such trust, fund or other entity which has been established for at least six months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by the Sponsor or any of its Affiliates which have been established for the primary or main purpose of investing in the share capital of companies will not constitute a Sponsor Affiliate.

Provision of information to the Noteholders

Information in respect of the Securitised Loans and the Properties will be provided to Noteholders (and made public) on a quarterly basis in the Servicer Quarterly Report. See “*Key terms of the servicing arrangements for the Securitised Loans and the Retained Tranche—Reporting*” for further details.

Reports

Pursuant to the Cash Management Agreement, the 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 Notes since the Closing Date;
- (c) all Cash Manager Quarterly Reports made available to holders of the Notes since the Closing Date; and
- (d) all annual valuations delivered to the Cash Manager since the Closing Date pursuant to the Servicing Agreement.

Communication with Noteholders

All notices to be given by the Issuer, the Servicer, the Special Servicer, the Cash Manager or the Note Trustee to Noteholders may be given in accordance with the provisions of Condition 16 (Notice to Noteholders) (or the provisions of Condition 13.12 (Negative Consent) in respect of the matters referred to in that Condition).

Communications between Noteholders

As described in more detail in Condition 16 (Notice to Noteholders), following receipt of a request for the publication of a notice from a Noteholder (the **Initiating Noteholder**) which has certified to the Cash Manager that it is a Noteholder (a **Verified Noteholder**), the 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 Noteholders (or any specified Class or Classes of the same) to contact the Initiating Noteholder;
- (b) the name of the Initiating Noteholder and the address, phone number, website or email address at which the Initiating Noteholder can be contacted; and
- (c) the date(s) from, on or between which the Initiating Noteholder may be so contacted.

CASHFLOW AND CREDIT STRUCTURE, SOURCE AND APPLICATION OF FUNDS

Principal source of funds

The repayment of principal and the payment of interest by the Senior Borrowers in respect of the Securitised Loans will provide the principal source of funds for the Issuer to make payments in respect of the Notes and the other Issuer Secured Liabilities.

As described in more detail in the sections entitled “*Cashflows and Issuer Priorities of Payments*” and “*Cash Management*”, amounts received by the Issuer in respect of the Securitised EUR Loan will be

used to make payments under the EUR Notes and similarly, amounts received by the Issuer in respect of the Securitised GBP Loan will be used to make payments under the GBP Notes, in each case, subject to the relevant Issuer Priority of Payments.

The Cash Manager (on behalf of the Issuer) will on each **Determination Date** (being the date falling three Business Days prior to each Note Payment Date) calculate all amounts due in accordance with the applicable Issuer level priority of payments, being the GBP Pre-Enforcement Priority of Payments, the EUR Pre-Enforcement Priority of Payments, the GBP Post-Enforcement Priority of Payments or, as applicable, the EUR Post-Enforcement Priority of Payments (together, the **Issuer Priority of Payments**) on the forthcoming Note Payment Date and the amounts available to make such payments and the amount of any drawings under the GBP Liquidity Facility or the EUR Liquidity Facility which will be required to be made in respect of the following Note Payment Date.

Redemption of the Notes on each Note Payment Date

Prior to the service of a Note Acceleration Notice, on each Note Payment Date in accordance with the relevant Pre-Enforcement Priority of Payments, unless previously redeemed in full and cancelled, each Class of GBP Notes is subject to mandatory early redemption in part in an amount not exceeding the GBP Principal Distribution Amount allocated to such Class on such Note Payment Date, and each Class of EUR Notes is subject to mandatory early redemption in part in an amount not exceeding the EUR Principal Distribution Amount allocated to such Class on such Note Payment Date.

The following provisions describe the allocation of principal to the GBP Notes, subject to the GBP Pre-Enforcement Priority of Payments:

GBP Pro Rata Principal Distribution Amount

The GBP Pro Rata Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a GBP Sequential Payment Trigger will, prior to the allocation of the GBP Reverse-Sequential Principal Distribution Amounts and the GBP Sequential Principal Distribution Amounts, be allocated *pro rata* to the outstanding GBP Notes.

GBP Sequential Principal Distribution Amounts

The GBP Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a GBP Sequential Payment Trigger will be allocated to the outstanding GBP Notes, after the allocation of the GBP Pro Rata Principal Distribution Amounts and the GBP Reverse-Sequential Principal Distribution Amount, sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

GBP Reverse-Sequential Principal Distribution Amounts

The GBP Reverse-Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a GBP Sequential Payment Trigger will be allocated to the outstanding GBP Notes: (a) prior to the allocation of the GBP Sequential Principal Distribution Amounts, and (b) after the allocation of the GBP Pro Rata Principal Distribution Amounts, reverse sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

Distributions following the occurrence of a GBP Sequential Payment Trigger

On each Note Payment Date following the occurrence of a GBP Sequential Payment Trigger, the whole of the aggregate GBP Principal Distribution Amount as determined on the immediately preceding Determination Date will be allocated sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

GBP Principal Distribution Amount means, for any Note Payment Date, the sum, without duplication, of all principal receipts in respect of the Securitised GBP Loan actually received by or on behalf of the Issuer during the Collection Period related to such Note Payment Date and will comprise, for the avoidance of doubt, the GBP Pro Rata Principal Distribution Amount, the GBP Sequential Principal Distribution Amount and the GBP Reverse-Sequential Principal Distribution Amount.

The **GBP Pro Rata Principal Distribution Amount**, as determined on any Determination Date, means: (i) if a GBP Sequential Payment Trigger will exist on the next following Note Payment Date, zero; or (ii) if no GBP Sequential Payment Trigger will exist on such Note Payment Date, an amount equal to the GBP Distribution Amount.

GBP Distribution Amount, as determined on any Determination Date, means the amount of principal receipts collected on the Securitised GBP Loan that are received by the Issuer in connection with any Permitted Property Disposal Prepayment Proceeds (which includes, for the avoidance of doubt the, Senior Allocated Loan Amount and any Senior ALA Excess) and any Expropriation Proceeds and/or any Insurance Proceeds, but only in circumstances where such Expropriation Proceeds or, as applicable, Insurance Proceeds are in respect of a Property or Properties and equal or exceed the Senior Allocated Loan Amount of such Property or Properties.

GBP Reverse-Sequential Principal Distribution Amount, as determined on any Determination Date, means: (i) if a GBP Sequential Payment Trigger will exist on the next Note Payment Date, zero; or (ii) if no GBP Sequential Payment Trigger will exist on the next Note Payment Date, an amount equal to the principal receipts collected on the Securitised GBP Loan that are voluntary prepayments (including, for avoidance of doubt, any voluntary prepayment resulting from a voluntary prepayment of the Senior GBP Loan under Clause 7.7(h) of the Senior Facility Agreement) and are not GBP Distribution Amounts, GBP Amortisation Funds or GBP Recovery Proceeds.

GBP Amortisation Funds means the amount of any principal receipts collected on the Securitised GBP Loan representing any GBP Recovery Proceeds, Insurance Proceeds (to the extent such Insurance Proceeds are not GBP Distribution Amount), Recovery Proceeds (to the extent such Recovery Proceeds are not GBP Distribution Amount), Excluded Insurance Proceeds (to the extent applied to repay the Senior GBP Loans), Excluded Recovery Proceeds (to the extent applied to repay the Senior GBP Loans), Equity Cure Amount, Sweep Cash Trap Amount, Surplus GBP PRPD Amounts, any prepayment required to be made as a result of any change of control and any repayment of principal made on the Final Senior Loan Repayment Date, in each case in respect of the Senior GBP Loans.

GBP Sequential Principal Distribution Amount, as determined on any Determination Date, means the (i) if a GBP Sequential Payment Trigger will exist on such Note Payment Date, the GBP Principal Distribution Amount, and (ii) if no GBP Sequential Payment Trigger will exist on such Note Payment Date, the GBP Principal Distribution Amount less the GBP Pro Rata Principal Distribution Amount (other than Surplus GBP PRPD Amounts) and the GBP Reverse-Sequential Principal Distribution Amounts (and will include, for the avoidance of doubt, any GBP Amortisation Funds).

If the amount of the GBP Pro Rata Principal Distribution Amount which would otherwise be allocated to any Class of GBP Notes exceeds the Principal Amount Outstanding of that Class of GBP Notes at the relevant time or if there are surplus GBP Pro Rata Principal Distribution Amounts which remain unallocated as a result of a Class of GBP Notes having been redeemed in full prior to such Determination Date, the amount of such surplus (the **Surplus GBP PRPD Amounts**) will be allocated sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

A **GBP Sequential Payment Trigger** means the first to occur of:

- (a) a Note Payment Date with respect to the GBP Notes after the Expected Note Maturity Date;
- (b) a Special Servicing Transfer Event with respect to the Securitised GBP Loan; and
- (c) the delivery of a Note Acceleration Notice in relation to the GBP Notes.

The following provisions describe the allocation of principal to the EUR Notes, subject to the EUR Pre-Enforcement Priority of Payments:

EUR Pro Rata Principal Distribution Amount

The EUR Pro Rata Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a EUR Sequential Payment Trigger will, prior to the allocation of the EUR Reverse-Sequential Principal Distribution Amounts and the EUR Sequential Principal Distribution Amounts, be allocated *pro rata* to the outstanding GBP Notes.

EUR Sequential Principal Distribution Amounts

The EUR Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a EUR Sequential Payment Trigger will be allocated to the outstanding EUR Notes, after the allocation of the EUR Pro Rata Principal Distribution Amounts and the EUR Reverse-Sequential Principal Distribution Amount, sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.

EUR Reverse-Sequential Principal Distribution Amounts

The EUR Reverse-Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a EUR Sequential Payment Trigger will be allocated to the outstanding EUR Notes: (a) prior to the allocation of the EUR Sequential Principal Distribution Amounts, and (b) after the allocation of the EUR Pro Rata Principal Distribution Amounts, reverse sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.

Distributions following the occurrence of a EUR Sequential Payment Trigger

On each Note Payment Date following the occurrence of a EUR Sequential Payment Trigger, the whole of the aggregate EUR Principal Distribution Amount as determined on the immediately preceding Determination Date will be allocated sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.

EUR Principal Distribution Amount means, for any Note Payment Date, the sum, without duplication, of all principal receipts in respect of the Securitised EUR Loan actually received by or on behalf of the Issuer during the Collection Period related to such Note Payment Date and will comprise, for the avoidance of doubt, the EUR Pro Rata Principal Distribution Amount, the EUR Sequential Principal Distribution Amount and the EUR Reverse-Sequential Principal Distribution Amount.

The **EUR Pro Rata Principal Distribution Amount**, as determined on any Determination Date, means: (i) if a EUR Sequential Payment Trigger will exist on the next following Note Payment Date, zero; or (ii) if no EUR Sequential Payment Trigger will exist on such Note Payment Date, an amount equal to the EUR Distribution Amount.

EUR Distribution Amount, as determined on any Determination Date, means the amount of principal receipts collected on the Securitised EUR Loan that are received by the Issuer in connection with any Permitted Property Disposal Prepayment Proceeds (which includes, for the avoidance of doubt the, Senior Allocated Loan Amount and any Senior ALA Excess) and any Expropriation Proceeds and/or any Insurance Proceeds, but only in circumstances where such Expropriation Proceeds or, as applicable, Insurance Proceeds are in respect of a Property or Properties and equal or exceed the Senior Allocated Loan Amount of such Property or Properties.

EUR Reverse-Sequential Principal Distribution Amount, as determined on any Determination Date, means: (i) if a EUR Sequential Payment Trigger will exist on the next Note Payment Date, zero; or (ii) if no EUR Sequential Payment Trigger will exist on the next Note Payment Date, an amount equal to the principal receipts collected on the Securitised EUR Loan that are voluntary prepayments (including, for avoidance of doubt, any voluntary prepayment resulting from a voluntary prepayment of the Senior EUR Loan under Clause 7.7(h) of the Senior Facility Agreement) and are not EUR Distribution Amounts, EUR Amortisation Funds or EUR Recovery Proceeds.

EUR Amortisation Funds means the amount of any principal receipts collected on the Securitised EUR Loan representing any EUR Recovery Proceeds, Insurance Proceeds (to the extent such Insurance Proceeds are not EUR Distribution Amount), Recovery Proceeds (to the extent such Recovery Proceeds are not EUR Distribution Amount), Excluded Insurance Proceeds (to the extent applied to repay the Senior EUR Loan), Excluded Recovery Proceeds (to the extent applied to repay the Senior EUR Loan), Equity Cure Amount, Sweep Cash Trap Amount, Surplus EUR PRPD Amounts, any prepayment required to be made as a result of any change of control and any repayment of principal made on the Final Senior Loan Repayment Date, in each case in respect of the Senior EUR Loan.

EUR Sequential Principal Distribution Amount, as determined on any Determination Date, means the (i) if a EUR Sequential Payment Trigger will exist on such Note Payment Date, the EUR Principal Distribution Amount, and (ii) if no EUR Sequential Payment Trigger will exist on such Note Payment Date, the EUR Principal Distribution Amount less the EUR Pro Rata Principal Distribution Amount (other than Surplus EUR PRPD Amounts) and the EUR Reverse-Sequential Principal Distribution Amounts (and will include, for the avoidance of doubt, any EUR Amortisation Funds).

If the amount of the EUR Pro Rata Principal Distribution Amount which would otherwise be allocated to any Class of EUR Notes exceeds the Principal Amount Outstanding of that Class of EUR Notes at the relevant time or if there are surplus EUR Pro Rata Principal Distribution Amounts which remain unallocated as a result of a Class of EUR Notes having been redeemed in full prior to such Determination Date, the amount of such surplus (the **Surplus EUR PRPD Amounts**) will be allocated sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.

A **EUR Sequential Payment Trigger** means the first to occur of:

- (a) a Note Payment Date with respect to the EUR Notes after the Expected Note Maturity Date;
- (b) a Special Servicing Transfer Event with respect to the Securitised EUR Loan; and
- (c) the delivery of a Note Acceleration Notice in relation to the EUR Notes.

Sweep Cash Trap Amount means an amount equal to the aggregate of any Cash Trap Amounts paid into the Cash Trap Account on two consecutive Senior Loan Interest Payment Dates.

Note Acceleration Notice

Following the service of a Note Acceleration Notice, 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 (other than amounts constituting tax credits or amounts standing to the credit of the GBP Stand-by Account and the EUR Stand-by Account (whether of principal or interest or otherwise)) in the manner and order of priority set out in the Post-Enforcement Priority of Payments (in each case only if and to the extent that payment provisions of a higher priority have been made in full).

Save to the extent set out in the Post-Enforcement Priorities of Payments, amounts, including interest and principal, received in respect of the Issuer Security will:

- (a) to the extent allocable to the Senior GBP Loan be applied in respect of the GBP Notes and the GBP-X Certificates in accordance with the GBP Post-Enforcement Priority of Payments; and
- (b) to the extent allocable to the Senior EUR Loan be applied in respect of the EUR Notes and the EUR-X Certificates in accordance with the EUR Post-Enforcement Priority of Payments.

Credit support

The credit structure of the transaction includes the following elements.

Junior Classes of GBP Notes will be subordinated to more senior Classes of GBP Notes (only in relation to certain payments), thereby ensuring that GBP Available Funds are applied to the Most Senior Class of GBP Notes in priority to more junior Classes of GBP Notes.

Junior Classes of EUR Notes will be subordinated to more senior Classes of EUR Notes (only in relation to certain payments), thereby ensuring that EUR Available Funds are applied to the Most Senior Class of EUR Notes in priority to more junior Classes of EUR Notes.

See Condition 3 (Status and Relationship between the Notes and Security) for further details.

Liquidity Support

Liquidity Facilities will be available to fund, *inter alia*, certain operating expenses of the Issuer, payments of interest in respect of the Notes and to pay certain expenses due to third parties in connection with the operation of the Properties. The Cash Manager (on behalf of the Issuer) will make and apply the drawings under the Liquidity Facility Agreements.

As of the Closing Date, the maximum amount which may be drawn under the Liquidity Facilities will be £17,700,000 million pursuant to the terms of the GBP Liquidity Facility Agreement and €9,200,000 million pursuant to the terms of the EUR Liquidity Facility Agreement. The amount available for drawdown under the GBP Liquidity Facility or the EUR Liquidity Facility will decrease in proportion to the Principal Amount Outstanding of the relevant Notes

and due to Appraisal Reductions on the relevant Properties. See “*Description of the Liquidity Facility Agreements—The Liquidity Commitment*” for further information.

At no time will any Liquidity Facility be available to cover shortfalls in funds available to the Issuer to pay amounts in respect of principal, Note Prepayment Fees, Note LIBOR Excess Amounts, Note EURIBOR Excess Amounts, interest due by the Issuer to any of the Class GBP-E Noteholders, the Class GBP-F Noteholders, the Class EUR-D Noteholders and the Class EUR-E Noteholders where any shortfall is attributable to the Class GBP-E Available Funds Cap, the Class GBP-F Available Funds Cap, the Class EUR-D Available Funds Cap or the Class EUR-E Available Funds Cap, respectively, or amounts payable on the Class X Certificates or to the Loan Seller in respect of any additional consideration payable under the Loan Sale Agreement.

All payments due to the Liquidity Facility Provider under the GBP Liquidity Facility Agreement or, as applicable, the EUR Liquidity Facility Agreement (other than in respect of any GBP Liquidity Subordinated Amounts and EUR Liquidity Subordinated Amounts) will rank ahead of payments of interest and repayments of principal on the GBP Notes or the EUR Notes, as applicable.

GBP Liquidity Subordinated Amounts are any amounts in respect of increased costs and any amounts with respect to tax (including tax gross-up and indemnification amounts and any amounts in respect of VAT) then payable to the Liquidity Facility Provider under the GBP Liquidity Facility to the extent that such amounts exceed 1 per cent. per annum of the then current commitment under the GBP Liquidity Facility (whether drawn or undrawn).

EUR Liquidity Subordinated Amounts are any amounts in respect of increased costs and any amounts with respect to tax (including tax gross-up and indemnification amounts and any amounts in respect of VAT) then payable to the Liquidity Facility Provider under the EUR Liquidity Facility to the extent that such amounts exceed 1 per cent. per annum of the then current commitment under the EUR Liquidity Facility (whether drawn or undrawn).

RELEVANT DATES AND PERIODS

Closing Date: The date of initial issuance for the Notes is expected to be 18 June 2015 (or such other date as the Issuer, Arranger and Lead Manager may agree).

Cut-Off Date: Where used in this Prospectus in respect of certain information relating to the Properties, 31 March 2015 (the **Cut-Off Date**).

Final Senior Loan Repayment Date: 15 February 2018 (the **Initial Senior Loan Repayment Date**), *provided that*, pursuant to the terms of the Senior Facility Agreement, Senior PledgeCo has an option to extend the Final Senior Loan Repayment Date to the date which is 12 months after the Initial Senior Loan Repayment Date, being 15 February 2019 and if this option is exercised, a further option to extend the Final Senior Loan Repayment Date to the date which is 24 months after Initial Senior Loan Repayment Date, being 15 February 2020. Such date, as may

be extended pursuant to the First Extension Option or the Second Extension Option, being the **Final Senior Loan Repayment Date**.

Unless previously repaid, the Senior Loans will be required to be repaid by the Senior Borrowers in full on the Final Senior Loan Repayment Date.

Expected Note Maturity Date: 22 February 2018. If, pursuant to the terms of the Senior Facility Agreement, the Final Senior Loan Repayment Date is extended to 15 February 2019 and 15 February 2020, the Expected Note Maturity Date will be extended to 22 February 2019 and 22 February 2020, respectively.

Final Note Maturity Date: Unless previously redeemed in full, the Issuer will redeem the Notes in full (together with all accrued interest thereon) on 22 February 2025 (the **Final Note Maturity Date**).

Note Payment Dates: 22 February, 22 May, 22 August and 22 November in each year or, if any such day is not a Business Day, the Note 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 **Note Payment Date**). The first Note Payment Date in respect of the Notes will fall on or about 24 August 2015.

Senior Loan Interest Payment Date: 15 February, 15 May, 15 August and 15 November in each year and the Final Senior Loan Repayment Date or, if any such day is not a Business Day, the Senior Loan 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) (each such day being a **Senior Loan Interest Payment Date**). The first Senior Loan Interest Payment Date in respect of the Senior Loans was 15 May 2015.

Senior Loan Interest Period: Each period by reference to which interest on the Senior Loans is calculated. Each interest period for the Senior Loans will start on the day after the last day of its preceding Senior Loan Interest Period and will end on the next Senior Loan Interest Payment Date. If a Senior Loan Interest Period would otherwise end on a day which is not a Business Day, that Senior 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) with respect to the Senior Loans, a day (other than a Saturday or Sunday) on which banks are open for general business in London, Amsterdam and TARGET; and
- (b) with respect to the Notes, a day (other than a Saturday or Sunday) on which banks are open for general business in London, Amsterdam and TARGET.

TARGET means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

TARGET Day means any day on which TARGET is open for the settlement of payments in euro.

Servicer Loan Reporting Date:

Each Senior Loan Interest Payment Date prior to the relevant Note Payment Date (the **Servicer Loan Reporting Date**).

The Servicer Loan Reporting Date is the date on which the Servicer will be required to identify, among other things, the source and allocation of the amounts received in respect of the Securitised Loans.

Determination Date

The Cash Manager (on behalf of the Issuer) will on each **Determination Date** (being the date falling three Business Days prior to each Note Payment Date) calculate all amounts due in accordance with the applicable Issuer level priority of payments, being the GBP Pre-Enforcement Priority of Payments, the EUR Pre-Enforcement Priority of Payments, the GBP Post-Enforcement Priority of Payments or, as applicable, the EUR Post-Enforcement Priority of Payments (together, the **Issuer Priority of Payments**) on the forthcoming Note Payment Date and the amounts available to make such payments and the amount of any drawings under the GBP Liquidity Facility on the EUR Liquidity Facility which will be required to be made in respect of the following Note Payment Date.

Collection Period:

With respect to a Note Payment Date, the period beginning on and including the immediately preceding Determination Date (or, in the case of the first Collection Period, the Closing Date) and ending on the Business Day immediately preceding the next Determination Date (the **Collection Period**).

Note Interest Period:

Each of the successive interest periods by reference to which interest on the Notes is payable. The first Note Interest Period will commence on (and include) the Closing Date and end on (but exclude) the Note Payment Date falling in August 2015. Each successive Note Interest Period will commence on (and include) the next (or first) Note Payment Date and end on (but exclude) the following Note Payment Date (each, a **Note Interest Period**).

Quotation Day

In relation to any Note Interest Period for which an interest rate is to be determined (i) in the case of EURIBOR, the date that is two TARGET Days prior to the first day of that period (or, in relation to a Senior Loan Interest Period, the date that is two TARGET Days prior to the Quotation Reference Date in which that Senior Loan Interest Period begins) and (ii) in the case of LIBOR, the first day of that period (or, in relation to a Senior Loan Interest Period, the Quotation Reference Date in which that Senior Loan Interest Period begins), unless in either case market practice differs in the London interbank market (the **Relevant Interbank Market**), in which case the Quotation Day will be determined by the Agent Bank in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

Quotation Reference Date:

22 February, 22 May, 22 August and 22 November in each year or, if any such day is not a Business Day, the Quotation Reference 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 Quotation Reference Date).

THE ISSUER AND HOLDINGS

Issuer

The Issuer was incorporated under the laws of England and Wales on 17 March 2015 (registered number 9494722) as a public limited company under the Companies Act 2006. The registered office of the Issuer is 35 Great St. Helen's, London EC3A 6AP. The telephone number of the Issuer's registered office is +44 (0) 207 398 6300. The authorised share capital of the Issuer comprises 50,000 ordinary shares of £1 each. The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, being 49,999 shares of £1 each, partly-paid up in cash as to 25 pence each and one fully paid share of £1, all of which are beneficially owned by Holdings. See "*Holdings*" below.

The Issuer has no Subsidiaries and does not control, directly or indirectly, any other company. The Loan Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer.

The Issuer was established as a special purpose vehicle solely for the purpose of issuing asset backed notes. The Issuer is permitted, pursuant to the terms of its articles of association, amongst other things, to issue the Notes and the Class X Certificates.

Under the Companies Act 2006 (as amended), the Issuer's governing documents, including its principal objects, may be altered by a special resolution of shareholders.

In accordance with the corporate services agreement entered into on or about the Closing Date by the Corporate Services Provider and the Issuer (the **Corporate Services Agreement**), the Corporate Services Provider will provide to the Issuer certain directors, a registered and administrative office, the arrangement of meetings of directors and shareholders and procure the service of a company secretary. No remuneration is paid by the Issuer to or in respect of any director or officer of the Issuer for acting as such.

The Issuer has not engaged, since its incorporation, in any material activities nor commenced operations other than those incidental to its registration as a public limited company under the Companies Act 2006 (as amended) and to the proposed issues of the Notes and the Class X Certificates and the authorisation of the other Issuer Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing. The Issuer, as necessary, has made a notification under the Data Protection Act 1998. As at the date of this Prospectus, statutory accounts have not yet been prepared or delivered to the Registrar of Companies on behalf of the Issuer. The accounting reference date of the Issuer is 31 December and the first statutory accounts of the Issuer will be drawn up to 31 December 2015.

There is no intention to accumulate surplus in the Issuer (other than amounts standing to the credit of the relevant ledger on the Issuer Transaction Account designated to record the GBP Issuer Profit Element or EUR Issuer Profit Element, as applicable).

Directors

The directors of the Issuer and their respective business addresses and occupations are:

Name	<u>Business Address</u>	<u>Business Occupation</u>
SFM Directors Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
SFM Directors (No.2) Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director

Name	Business Address	Business Occupation
Claudia Wallace	35 Great St. Helen's, London EC3A 6AP	Director

The directors of SFM Directors Limited and SFM Directors (No.2) Limited and their principal activities are as follows:

Name	Business Address	Principal Activities
Jonathan Eden Keighley	35 Great St. Helen's, London EC3A 6AP	Director
Robert William Berry	35 Great St. Helen's, London EC3A 6AP	Director
John Paul Nowacki	35 Great St. Helen's, London EC3A 6AP	Director
Claudia Wallace	35 Great St. Helen's, London EC3A 6AP	Director
Vinoy Nursiah	35 Great St. Helen's, London EC3A 6AP	Director
Helena Whitaker	35 Great St. Helen's, London EC3A 6AP	Director
Debra Parsall	35 Great St. Helen's, London EC3A 6AP	Director
Susan Abrahams	35 Great St. Helen's, London EC3A 6AP	Director
Michael Drew	35 Great St. Helen's, London EC3A 6AP	Company Secretary
Jennifer Jones	35 Great St. Helen's, London EC3A 6AP	Company Secretary
Aline Sternberg	35 Great St. Helen's, London EC3A 6AP	Company Secretary

The company secretary of the Issuer is SFM Corporate Services Limited whose principal office is at 35 Great St. Helen's, London EC3A 6AP.

The Issuer has no loan capital, borrowings or material contingent liabilities (including guarantees) as at the date of this Prospectus.

Holdings

Holdings was incorporated under the laws of England and Wales on 17 March 2015 (registered number 9494661) as a private limited company under the Companies Act 2006 (as amended). The registered office of Holdings is 35 Great St. Helen's, London EC3A 6AP. The issued share capital of Holdings comprises one ordinary share of £1. SFM Corporate Services Limited (the **Share Trustee**) holds the entire beneficial interest in the issued share under a charitable trust for discretionary purposes. Holdings holds the beneficial interest in the issued share capital of the Issuer.

Neither the Loan Seller nor any company connected with the Loan Seller can direct the Share Trustee and none of such companies has any control, direct or indirect, over Holdings or the Issuer. Holdings does not have any control, direct or indirect, of any company other than the Issuer.

Pursuant to the terms of its articles of association, Holdings is permitted, *inter alia*, to hold shares in the Issuer.

Holdings has not engaged since its incorporation in any material activities other than those activities incidental to the authorisation and implementation of the Issuer Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing.

Directors

The directors of Holdings and their respective business addresses and occupations are:

Name	Business Address	Business Occupation
SFM Directors Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
SFM Directors (No.2) Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
Claudia Wallace	35 Great St. Helen's, London EC3A 6AP	Director

The directors of SFM Directors Limited and SFM Directors (No.2) Limited and their respective occupations are:

Name	Business Address	Principal Activities
Jonathan Eden Keighley	35 Great St. Helen's, London EC3A 6AP	Director
Robert William Berry	35 Great St. Helen's, London EC3A 6AP	Director
John Paul Nowacki	35 Great St. Helen's, London EC3A 6AP	Director
Claudia Wallace	35 Great St. Helen's, London EC3A 6AP	Director
Vinoy Nursiah	35 Great St. Helen's, London EC3A 6AP	Director
Helena Whitaker	35 Great St. Helen's, London EC3A 6AP	Director

Name	Business Address	Principal Activities
Debra Parsall	35 Great St. Helen's, London EC3A 6AP	Director
Susan Abrahams	35 Great St. Helen's, London EC3A 6AP	Director
Michael Drew	35 Great St. Helen's, London EC3A 6AP	Company Secretary
Jennifer Jones	35 Great St. Helen's, London EC3A 6AP	Company Secretary
Aline Sternberg	35 Great St. Helen's, London EC3A 6AP	Company Secretary

The company secretary of Holdings is SFM Corporate Services Limited whose principal office is at 35 Great St. Helen's, London EC3A 6AP.

The accounting reference date of Holdings is 31 December and the first statutory accounts of Holdings will be drawn up to 31 December 2015.

Holdings has no employees.

JPMORGAN CHASE BANK, N.A., LONDON BRANCH

JPMorgan Chase Bank, National Association (**JPMCB**) is a national banking association and wholly owned bank subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. JPMCB offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency. JPMCB is an affiliate of J.P. Morgan Securities LLC, an underwriter and the depositor. Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2014, of JPMorgan Chase & Co., the 2014 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the U.S. Securities and Exchange Commission by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Prospectus is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC's website at www.sec.gov. None of the documents that JPMorgan Chase & Co. files with the SEC or any of the information on, or accessible through, the U.S. Securities and Exchange Commission's website, is part of, or incorporated by reference into, this Prospectus. JPMorgan Chase Bank, N.A., London Branch is located at 25 Bank Street, London, E14 5JP, and is registered at Companies House as branch number BR000746 and company FC004891. It is authorized by the Prudential Regulation Authority; subject to regulation by the Financial Conduct Authority and to limited regulation by the Prudential Regulation Authority.

THE SENIOR BORROWERS, THE SENIOR PLEDGECO AND THE SENIOR GUARANTORS

THE SENIOR BORROWERS

The Senior Borrowers

The Senior Borrowers are registered in the following jurisdictions with the following registration numbers:

<u>Name of Borrower</u>	<u>Jurisdiction of incorporation or formation and domicile</u>	<u>Registration number</u>
Carolia Tower Hotel Limited	England	09331942
Carolia Westminster Hotel Limited	England	09331282
Carolia Amsterdam Hotel B.V.	The Netherlands	34253296

Carolia Tower Hotel Limited is a private limited company under the Companies Act 2006 which was incorporated under the laws of England and Wales on 28 November 2014 and Carolia Westminster Hotel Limited is a private limited company under the Companies Act 2006 which was incorporated under the laws of England and Wales on 27 November 2014.

The registered office of both of Carolia Tower Hotel Limited and Carolia Westminster Hotel Limited is at 1st Floor Beacon House, 26 Worple Road, London SW19 4EE with a telephone number of +44 (0)20 7451 4000.

Carolia Amsterdam Hotel B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the Dutch Civil Code which was incorporated under the laws of the Netherlands on 2 August 2006 and has a registered office at Oosterdoksstraat 4, 1011 DK Amsterdam, the Netherlands with a telephone number of 0031205300800. It changed its name from City Inn Europe 1 B.V. on 14 January 2015.

Carolia Amsterdam Hotel B.V.'s audited consolidated financial statements incorporated into this Prospectus by reference were audited by Deloitte Accountants B.V. which is licenced to perform audits in the Netherlands by the Netherlands Authority for the Financial Markets.

Generally

The sole shareholder of each of Carolia Tower Hotel Limited and Carolia Westminster Hotel Limited is Carolia Bidco II Limited. The sole shareholder of Carolia Amsterdam Hotel B.V. is Carolia Holdco Limited. Each of the Senior Borrowers is indirectly majority owned and controlled by BREP Europe III and BREP VI (**Blackstone Funds** and the **Sponsor**).

Each Senior Borrower has represented in the Senior Facility Agreement that it has not traded or carried on any business since the date of its incorporation except for entering into the Senior Facility Transaction Documents and the acquisition, ownership, management, financing, development and leasing of its interests in the Property or Properties in which it has an interest. These are the principal activities of each Senior Borrower. Except for the general restrictive provisions in the relevant articles of association/other applicable agreement there are no specific measures in place to ensure that control of the relevant Senior Borrower by its owner is not abused.

Neither Carolia Tower Hotel Limited nor Carolia Westminster Hotel Limited is involved, nor has been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the related Senior Borrower is aware) which may have or have had since the date of its incorporation a significant effect on such Senior Borrower's financial position or profitability.

Carolia Amsterdam Hotel B.V. 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 Carolia Amsterdam Hotel B.V. is aware) during the last twelve months, which may have or have had a significant effect on Carolia Amsterdam Hotel B.V. financial position or profitability.

Directors

The directors of the Senior Borrowers and their respective business addresses and occupations are:

Name	Business Address	Business Occupation
Carolia Amsterdam Hotel B.V.		
Gabriel Petersen	BRE/Hospitality Europe Holding BV	Director
Simon Davies	c/o BRE Europe Real Estate Investment Suikersilo Oost 32, 9th floor	Director
Gordon Mckie	1165 MS Halfweg The Netherlands	Director
Carolia Tower Hotel Limited		
Gabriel Petersen	The Blackstone Group 40 Berkeley Square	Director
Simon Davies	London W1J 5AL United Kingdom	Director
Gordon Mckie		Director
Carolia Westminster Hotel Limited		
Gabriel Petersen	The Blackstone Group 40 Berkeley Square	Director
Simon Davies	London W1J 5AL United Kingdom	Director
Gordon Mckie		Director

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

SENIOR PLEDGECO

Senior PledgeCo under the Senior Facility Agreement is Carolia Pledgeco Limited, a private limited company that was incorporated under the laws of England and Wales on 18 August 2011. It has the registered number 07745923 and a registered office at 1st Floor Beacon House, 26 Worples Road, London SW19 4EE.

The sole shareholder of Carolia Pledgeco Limited is Carolia New Mezzco Limited. Senior PledgeCo is indirectly majority owned and controlled by the Blackstone Funds.

Carolia Pledgeco Limited is the sole shareholder of Carolia Holdco Limited.

THE SENIOR GUARANTORS

Each of the Senior Borrowers and Senior PledgeCo also act as a Senior Guarantor.

In addition, the following companies also act as Senior Guarantors. Each other Senior Guarantor is a private limited company incorporated under the laws of England and Wales and registered under the following number:

Name of Senior Guarantor	Registration number
Carolia Holdco Limited	07745965
Carolia Bidco Limited	07714118
Carolia Bidco II Limited	09329437

Carolia Holdco Limited was incorporated on 18 August 2011, Carolia Bidco Limited was incorporated on 21 July 2011 and Carolia Bidco II Limited was incorporated on 26 November 2014.

The registered office of each other Senior Guarantor is 1st Floor Beacon House, 26 Worpole Road, London SW19 4EE.

Generally

The sole shareholder of Carolia Holdco Limited is Carolia Pledgeco Limited. The sole shareholder of Carolia Bidco Limited and Carolia Bidco II Limited is Carolia Holdco Limited. Each of the Senior Guarantors is indirectly majority owned and controlled by the Blackstone Funds.

Each other Senior Guarantor has represented in the Senior Facility Agreement that it has not traded or carried on any business since the date of its incorporation except for entering into the Senior Facility Transaction Documents and the acquisition, ownership, management, financing, development and leasing of its interests in the Property or Properties in which it has an interest.

Each Senior Guarantor has represented in the Senior Facility Agreement that no litigation, arbitration or administrative proceedings which are reasonably likely to be adversely determined and, if so adversely determined, might reasonably be expected to have a Material Adverse Effect (as qualified in the Senior Facility Agreement) have (to the best of its knowledge and belief) been started or threatened against it.

Subordinated Liabilities of the Senior Borrowers

Pursuant to the terms of the Senior Facility Agreement, the Senior Borrowers are permitted to incur debt in limited circumstances including, indebtedness arising under the Mezzanine Finance Documents, any Subordinated Loans or any Financial Indebtedness owed by Senior PledgeCo to any of its Holding Companies provided that (unless the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders) agrees otherwise in writing) such Financial Indebtedness is subordinated to the Senior Lender Liabilities under the terms of the Intercreditor Agreement (**Investor Debt**).

DESCRIPTION OF THE INITIAL SERVICER AND THE INITIAL SPECIAL SERVICER

CBRE Loan Servicing Limited is a wholly owned subsidiary of CBRE Limited with the ultimate parent company being CBRE Group, Inc., which is listed on the New York Stock Exchange. CBRE Loan Servicing Limited conducts its business primarily from its office in London at Henrietta House, Henrietta Place, London W1G 0NB. It also has servicing operations in Frankfurt and Madrid.

CBRE Loan Servicing Limited was established in 2005 and currently provides primary servicing, special servicing, facility agent, security agent and loan valuation services on a portfolio of over £17 billion of assets across ten European jurisdictions.

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

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 UK 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 UK Branch are also subject to the limited regulation of the U.K. Financial Conduct Authority and Prudential Regulation Authority.

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 USD410 billion in assets as of March 31, 2015, is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. The company operates 3,172 banking offices in 25 states and 5,016 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

The information in this “Description of the Portfolio” section relating to EBITDA, Net Operating Income, and Occupancy figures is accurate as at the Cut-Off Date.

The below description of the Portfolio is largely based on information obtained from the Senior Group and the Initial Valuation.

A GBP/EUR exchange rate of 0.7954 has been used for conversion, in line with the GBP/ EUR exchange rate used in the Initial Valuation.

Portfolio overview

In December 2014, at the time of origination, the portfolio consisted of eight properties (two in central London, one in Amsterdam, and five in regional UK) that were collectively acquired in September 2011 for approximately £644 million (including costs) and the acquisition financing consisted of £385 million of external debt. Following the acquisition of the portfolio, a part of the capital expenditures program, was the “Key Money” project that was funded by Hilton to enable the conversion of the Hotels from the Mint brand to a Hilton branded DoubleTree. The costs included conversion to the Hilton reservation system and IT software, rebranding and signage. There was £414,000 spent on the Tower of London Property, £395,000 spent on the Westminster Property and £433,000 spent on the Amsterdam Property totalling £1,242,000 spent on rebranding. The expenditure on the “Key Money” rebranding project was completed by December 2013

In December 2014, J.P. Morgan Chase Bank, N.A., London Branch refinanced £385mm of outstanding debt with £339,973,000 and €139,240,000 of senior debt and £75,549,000 and €30,942,000 of mezzanine debt. In May 2015, the Sponsor disposed the five regional UK assets and the collateral asset now consists of three four-star hotels, located in the United Kingdom and the Netherlands (each a **Property**, together the **Portfolio** or the **Properties**), comprising 1,600 rooms.

As at the Closing Date, the Portfolio consists of two hotels in Central London (for a total of 1,043 rooms) (collectively, the **UK Properties**), and one 557-room hotel in Amsterdam (the **Dutch Property**). The hotels are operated and branded by Hilton Worldwide via one management affiliate (**Hilton** or the **Hotel Manager**).

The Properties were valued in the Initial Valuation. The Market Value of the Portfolio is valued on the basis that the Properties are sold off individually to increase liquidity. The Market Value of the Dutch Property is €233,000,000 and is valued on the basis of the sale of the Dutch Obligor with purchaser’s costs of 2.25 per cent. The Market Value of the UK Properties is £446,700,000 and is valued on the basis of asset sales of the UK Properties with purchaser’s costs of 5.80 per cent. which includes full stamp duty/land tax.

The aggregate Market Value of the Portfolio is GBP equivalent 632,028,000 which averages to GBP equivalent 395,018 per room. The UK Properties comprise in total 1,043 rooms and represent 70.7 per cent. of the aggregate Market Value. The Dutch Property comprises 557 rooms and represents 29.3 per cent. of the aggregate Market Value.

The UK Property generated £60,692,596 of total revenue (£58,190 per room), and Net Operating Income of £ 25,785,443 (£24,722 per room) as at TTM March 2015. The average room occupancy for the UK Property was 84.3 per cent. as at TTM March 2015. The Dutch Property generated €41,567,399 of total revenue (€74,627 per room), and Net Operating Income of €16,842,079 (€30,237 per room) as at TTM March 2015. The average room occupancy for the Dutch Property was 84.7 per cent. as at TTM March 2015. Collectively, the Portfolio generated GBP equivalent 93,755,305 of total revenue (GBP equivalent 58,597 per room), and Net Operating Income of GBP equivalent 39,181,633 (GBP equivalent 24,489 per room) as at TTM March 2015. The average room occupancy for the Portfolio was 84.5 per cent. as at TTM March 2015.

Under the 20-year Hotel Management Agreements signed in November 2011, the Properties are managed by Hilton Worldwide Manage Limited (1 hotel, operated under the “DoubleTree by Hilton” brand), and Hilton UK Manage Ltd (2 hotels, operated under the “Doubletree by Hilton” brand), both affiliates of Hilton Worldwide.

Market Value is the value provided in the Initial Valuation.

Net Operating Income means, in respect of a Relevant Period, EBITDA (without double counting) for that Relevant Period less amounts required to be reserved for FF&E for that Relevant Period under the Hotel Management Agreements.

Relevant Period means each period of 12 months commencing on a Financial Quarter Date and ending on the anniversary of that Financial Quarter Date.

A **Valuation Date** is each date on which a Valuation is delivered to the Senior Facility Agent in accordance with the Senior Facility Agreement and the first Valuation Date was 1 December 2014.

A **Valuation** means a valuation of a Property or, as the context requires, the Properties by a valuer, supplied at the request of the Senior Facility Agent, addressed to certain parties permitted to rely thereon and prepared on the basis of the market value as that term is defined in the then current statements of asset valuation practice and guidance notes issued by the Royal Institution of Chartered Surveyors.

Property ownership and key metrics

Property	Legal Ownership (post-refinancing, post reorganisation)	Tenure	Leasehold Expiry Year	Currency	Keys	TTM**** March 2015 Occupancy	TTM March 2015 EBITDA (£)	TTM March 2015 Net Operating Income (£)	YE 2014 Market Value (£)†	Market Value % of UK assets	Market Value/key (£)	TTM March 2015 EBITDAx	TTM March 2015 Net Operating Income yield*
DoubleTree by Hilton Tower of London	Carolia Tower Hotel Limited (UK)	Freehold		GBP	583	85.4%	18,074,030	16,941,876	289,100,000	64.7%	495,883	16.0x	5.86%
DoubleTree by Hilton Westminster	Carolia Westminster Hotel Limited (UK)	Freehold		GBP	460	83.1%	9,532,192	8,843,567	157,600,000	35.3%	342,609	16.5x	5.61%
Total UK assets				GBP	1,043	84.3%	27,606,222	25,785,443	446,700,000	100.0%	428,284	16.2x	5.77%

Property	Legal Ownership (post-refinancing, post reorganisation)	Tenure	Leasehold Expiry Year	Currency	Keys	TTM March 2015 Occupancy	TTM March 2015 EBITDA (€)	TTM March 2015 Net Operating Income (€)	YE 2014 Market Value (€)†	Market Value % of Dutch asset	Market Value/key (€)	TTM March 2015 EBITDA x	TTM March 2015 Net Operating Income yield*
DoubleTree by Hilton Amsterdam	Carolia Amsterdam Hotel BV (***)	Leasehold	2108	EUR	557	84.7%	18,042,550	16,842,079	233,000,000	100.0%	418,312	12.9x	7.23%
Total Dutch asset				EUR	557	84.7%	18,042,550	16,842,079	233,000,000	100.0%	418,312	12.9x	7.23%

Property	Legal Ownership (post-refinancing, post reorganisation)	Tenure	Leasehold Expiry Year	Currency	Keys	TTM March 2015 Occupancy	TTM March 2015 EBITDA (GBP equiv.)	TTM March 2015 Net Operating Income (GBP equiv.)	Market Value (GBP. Equiv.) †	Market Value % of Portfolio	Market Value/key (GBP equiv.)	TTM March 2015 EBITDAx	TTM March 2015 Net Operating Income yield*
Portfolio	Various	Various	Various	GBP equiv.	1,600	84.5%	41,957,266	39,181,633	632,028,000	100.0%	395,018	15.1x	6.20%

Source: Sponsor

† Source: CBRE valuation report

* Net Operating Income yield calculated as FY 2014 Net Operating Income / Market Value

*** Carolia Amsterdam Hotel BV (previously City Inn Europe 1 BV) (Netherlands)

**** TTM: Trailing Twelve Months

Location overview

Property pictures



DoubleTree by Hilton Tower of London



DoubleTree by Hilton Amsterdam



DoubleTree by Hilton Westminster



DoubleTree by Hilton Amsterdam

Source: Sponsor

Hilton overview

Hilton Worldwide

Hilton Worldwide's portfolio includes twelve distinct hotel brands with more than 4,300 managed, franchised, owned and leased hotels and timeshare properties in 94 countries and territories as of 31 December 2014. The Blackstone Group L.P. took Hilton private in 2007. Hilton shares were partially floated in December 2013, with the Blackstone Group L.P. retaining a significant share.

Source: Hilton Worldwide Holdings Inc., Form 10-K (Annual Report)

DoubleTree by Hilton

DoubleTree hotels provide contemporary, upscale accommodation in metropolitan areas and vacation destinations worldwide (410 hotels in 35 countries as of 31 December 2014). They are designed to provide comfort to today's business and leisure travellers.

Source: Hilton Worldwide Holdings Inc., Form 10-K (Annual Report)

Property profiles

DoubleTree by Hilton Tower of London

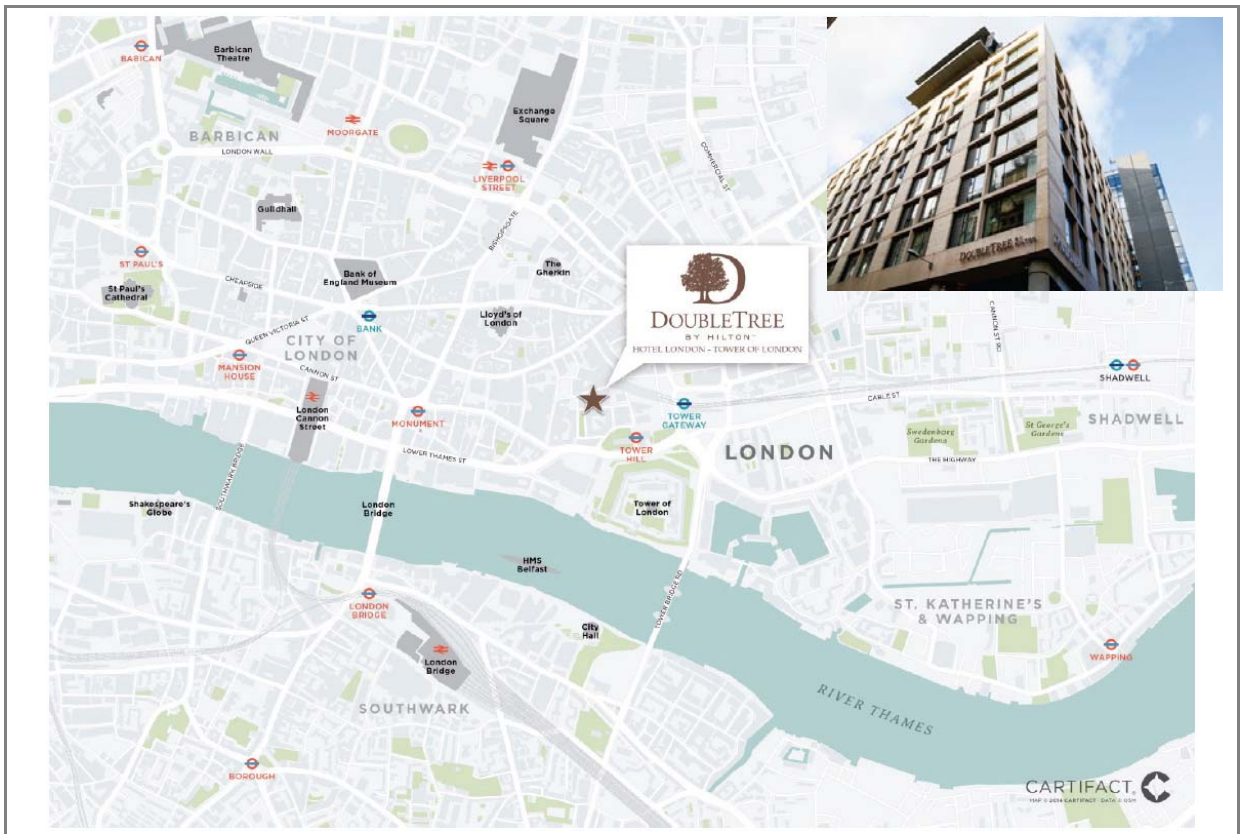
The DoubleTree by Hilton Tower of London is a freehold property located in the City of London. Constructed in 2010 (purpose-built), the hotel is located adjacent to numerous London attractions. It is the largest hotel in the Portfolio by income and generated £16.9 million of Net Operating Income as at TTM March 2015. The hotel is located at Pepys Street in the heart of the city of London and in close proximity to key attractions including Tower Bridge, The Tower of London and the Tate Modern as well as the City of London business district, Excel London Exhibition and Convention Centre and London City Airport.

Name	Doubletree by Hilton Tower of London
Address	7 Pepys Street, London EC3N 4AF, United Kingdom
Year built	2010
Site area	3,252 sqm
Building area	27,723 sqm
Rating	Four-star
Suites and guestrooms	583
F&B facilities	City Café, Executive Lounge, Lobby Bar, Sky Lounge, Natural Kitchen, Roof Top Terraces combined
Meeting facilities	12 meeting rooms
Other amenities	Small fitness centre, 29 car parking spaces, of which 17 are leased out
Tenure	Freehold
Management and brand	Managed by Hilton under the Doubletree by Hilton brand
Other agreements	None
Subletting	TNK (Trinity Square) Limited (Natural Kitchen)
TTM March 2015 Occupancy	85.4%
TTM March 2015 EBITDA (GBP)	18,074,030
TTM March 2015 Net Operating Income (GBP)	16,941,876
Market Value (GBP)	289,100,000†

Source: Sponsor

† Source: CBRE valuation report

Location and picture



Historical Cash Flows

(in GBP 000's)	2011		2012		2013		2014		TTM Mar 2015	
	Local CCY	% sales	Local CCY	% sales	Local CCY	% sales	Local CCY	% sales	Local CCY	% sales
Rooms	£18,096.3	74.2%	£24,761.8	80.7%	£26,530.8	80.0%	£29,519.1	79.5%	£29,899.9	79.2%
Food & Beverages - Other	6,000.4	24.6%	5,762.3	18.8%	6,378.5	19.2%	6,944.1	18.7%	7,028.8	18.6%
Total Other Operating Departments	293.6	1.2%	171.8	0.6%	269.6	0.8%	687.0	1.8%	809.7	2.1%
TOTAL SALES	24,390.3	100.0%	30,695.9	100.0%	33,178.8	100.0%	37,150.2	100.0%	37,738.4	100.0%
COST OF SALES										
Rooms	4,196.9	17.2%	4,606.7	15.0%	4,760.3	14.3%	5,209.4	14.0%	5,279.8	14.0%
Food & Beverages	4,798.9	19.7%	3,805.3	12.4%	3,820.2	11.5%	4,162.8	11.2%	4,176.5	11.1%
Total Other Operating Department Expenses	69.7	0.3%	139.6	0.5%	147.6	0.4%	128.2	0.3%	120.0	0.3%
TOTAL OPERATING DEPARTMENT	9,065.5	37.2%	8,551.5	27.9%	8,728.1	26.3%	9,500.4	25.6%	9,576.3	25.4%
OVERHEADS										
Administrative & General	2,025.2	8.3%	2,866.7	9.3%	2,850.0	8.6%	3,149.8	8.5%	3,222.1	8.5%
Sales & Marketing	1,006.9	4.1%	832.0	2.7%	1,138.2	3.4%	1,209.3	3.3%	1,263.5	3.3%
Property Operations & Maintenance	454.0	1.9%	507.1	1.7%	668.7	2.0%	656.4	1.8%	651.6	1.7%
Utility Costs	676.1	2.8%	662.2	2.2%	625.9	1.9%	800.6	2.2%	817.0	2.2%
TOTAL OVERHEADS DEPT EXPENSES	4,162.2	17.1%	4,868.0	15.9%	5,282.8	15.9%	5,816.1	15.7%	5,954.2	15.8%
GROSS OPERATING PROFIT	11,162.6	45.8%	17,276.4	56.3%	19,167.9	57.8%	21,833.7	58.8%	22,208.0	58.8%
FIXED CHARGES										
Property & Other Taxes	2,002.8	8.2%	2,050.1	6.7%	2,105.0	6.3%	2,144.1	5.8%	2,148.5	5.7%
Insurance	158.1	0.6%	184.5	0.6%	150.6	0.5%	142.3	0.4%	145.2	0.4%
Other Adds & Deductions	28.1	0.1%	0.6	0.0%	0.8	0.0%	(0.1)	0.0%	(0.1)	0.0%
TOTAL FIXED CHARGES	2,189.0	9.0%	2,235.2	7.3%	2,256.4	6.8%	2,286.2	6.2%	2,293.5	6.1%
PROFIT BEFORE FEES	8,973.6	36.8%	15,041.2	49.0%	16,911.5	51.0%	19,547.5	52.6%	19,914.5	52.8%
MANAGEMENT FEES	17.9	0.1%	1,510.3	4.9%	1,625.4	4.9%	1,814.3	4.9%	1,840.5	4.9%
EBITDA	8,955.7	36.7%	13,531.0	44.1%	15,286.1	46.1%	17,733.2	47.7%	18,074.0	47.9%
FF&E RESERVE	263.0	1.1%	919.5	3.0%	995.4	3.0%	1,114.5	3.0%	1,132.2	3.0%
Net Operating Income	8,692.7	35.6%	12,611.5	41.1%	14,290.7	43.1%	16,618.7	44.7%	16,941.9	44.9%
Keys	583		583		583		583		583	
Rooms Available	212,795		213,378		212,664		212,430		212,430	
Occupancy (%)	63.7%		80.4%		84.0%		85.0%		85.4%	
Average Room Rate	133		144		148		163		165	
Revpar	85		116		125		139		141	

Source: Sponsor

DoubleTree by Hilton Amsterdam

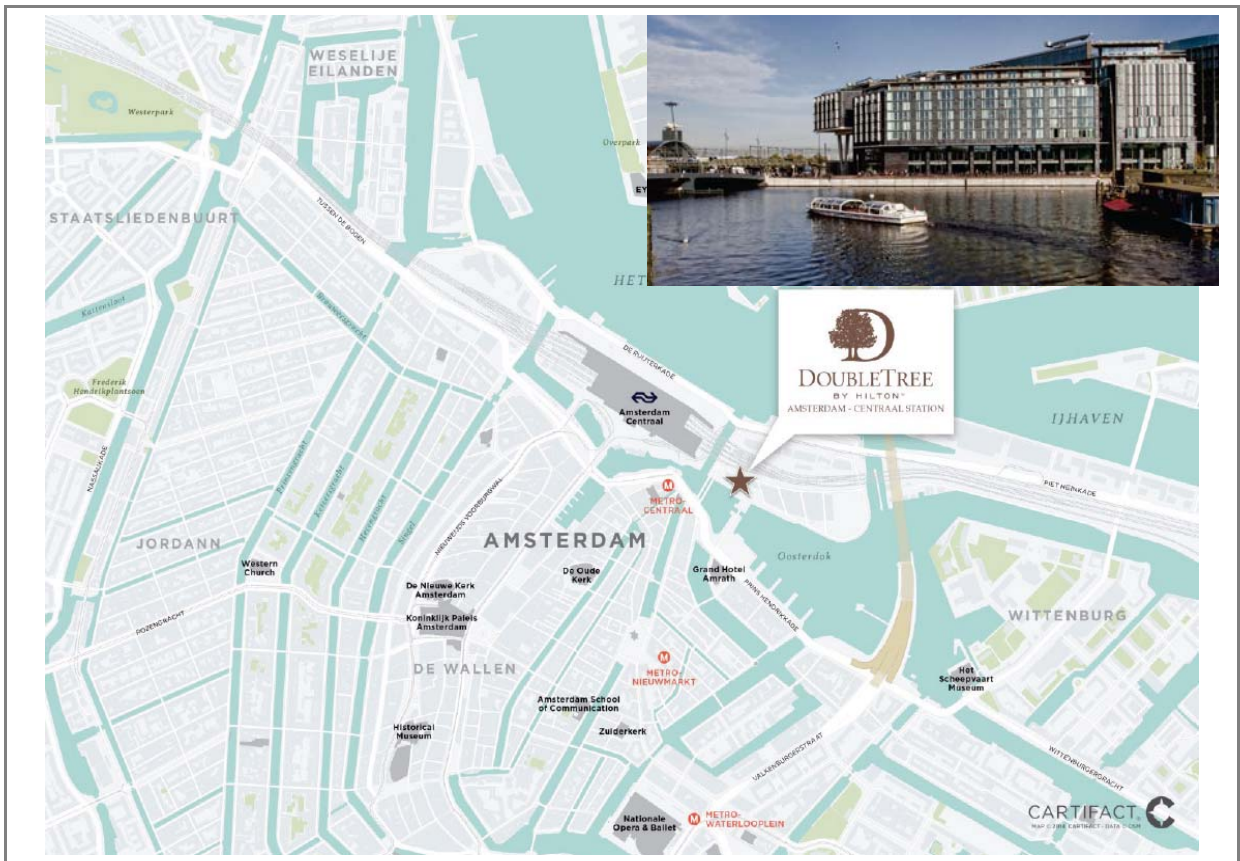
Built in 2011, the DoubleTree by Hilton Amsterdam is part of a 225,000 sqm mixed use development located on an island site within walking distance to the Amsterdam Centraal Station. The hotel generated €16.8 million of Net Operating Income as at TTM March 2015. Tenure is via long leasehold expiring in 2108. The hotel is within walking distance of the Amsterdam Centraal Station, the city's shopping streets and cultural heritage sites including the Rijksmuseum, the Van Gogh Museum and Dam Square. Amsterdam's main office locations and conference venues are easily accessible from this central location.

Name	DoubleTree by Hilton Amsterdam
Address	Oosterdoksstraat 4, 1011 DK, Amsterdam, The Netherlands
Year built	2010/11
Site area	2,850 sqm
Building area	27,247 sqm
Rating	Four-star
Suites and guestrooms	557
F&B facilities	City Café, Sky Lounge and Outside Terrace, Lobby Bar, East Dock Lounge, Starbucks
Meeting facilities	16 meeting rooms
Other amenities	Executive Lounge, Fitness Centre, and public carpark within the building (not part of the hotel)
Tenure	Long Leasehold expiring in 2108
Management and brand	Managed by Hilton under the Doubletree by Hilton brand
Other agreements	Starbucks licence agreement
Subletting	Sixt B.V.
TTM March 2015 Occupancy	84.7%
TTM March 2015 EBITDA (EUR)	18,042,550
TTM March 2015 Net Operating Income (EUR)	16,842,079
Market Value (EUR)	233,000,000†

Source: Sponsor

† Source: CBRE valuation report

Location and picture



Historical Cash Flows

(in EUR 000's)	2011		2012		2013		2014		TTM Mar 2015	
	Local CCY	% sales	Local CCY	% sales	Local CCY	% sales	Local CCY	% sales	Local CCY	% sales
Rooms	€10,456.3	71.8%	€20,194.0	72.7%	€24,799.5	72.0%	€27,814.8	69.7%	€28,962.4	69.7%
Food & Beverages - Other	3,803.0	26.1%	7,233.3	26.0%	9,248.1	26.8%	11,537.7	28.9%	12,036.7	29.0%
Total Other Operating Departments	308.3	2.1%	343.7	1.2%	406.3	1.2%	536.0	1.3%	568.3	1.4%
TOTAL SALES	14,567.6	100.0%	27,771.0	100.0%	34,453.9	100.0%	39,888.5	100.0%	41,567.4	100.0%
COST OF SALES										
Rooms	3,083.9	21.2%	6,119.5	22.0%	6,686.5	19.4%	7,424.4	18.6%	7,703.0	18.5%
Food & Beverages	3,566.0	24.5%	5,660.4	20.4%	6,555.4	19.0%	7,225.0	18.1%	7,466.0	18.0%
Total Other Operating Department Expenses	105.0	0.7%	323.1	1.2%	349.8	1.0%	370.5	0.9%	387.5	0.9%
TOTAL OPERATING DEPARTMENT	6,754.9	46.4%	12,103.1	43.6%	13,591.6	39.4%	15,019.9	37.7%	15,556.6	37.4%
OVERHEADS										
Administrative & General	1,350.7	9.3%	2,280.8	8.2%	2,491.7	7.2%	2,704.6	6.8%	2,786.6	6.7%
Sales & Marketing	478.9	3.3%	844.2	3.0%	1,295.5	3.8%	1,428.0	3.6%	1,413.8	3.4%
Property Operations & Maintenance	400.2	2.7%	859.8	3.1%	1,188.6	3.4%	1,236.2	3.1%	1,227.3	3.0%
Utility Costs	475.7	3.3%	914.3	3.3%	935.9	2.7%	915.0	2.3%	875.7	2.1%
TOTAL OVERHEADS DEPT EXPENSES	2,705.6	18.6%	4,899.2	17.6%	5,911.7	17.2%	6,283.8	15.8%	6,303.4	15.2%
GROSS OPERATING PROFIT	5,107.2	35.1%	10,768.8	38.8%	14,950.5	43.4%	18,584.8	46.6%	19,707.5	47.4%
FIXED CHARGES										
Property & Other Taxes	341.9	2.3%	609.2	2.2%	373.5	1.1%	(410.4)	-1.0%	(426.9)	-1.0%
Insurance	44.9	0.3%	–	0.0%	91.5	0.3%	106.3	0.3%	107.8	0.3%
Other Adds & Deductions	38.0	0.3%	(1.1)	0.0%	(1.0)	0.0%	12.2	0.0%	37.8	0.1%
TOTAL FIXED CHARGES	424.8	2.9%	608.1	2.2%	464.0	1.3%	(291.8)	-0.7%	(281.4)	-0.7%
PROFIT BEFORE FEES	4,682.4	32.1%	10,160.7	36.6%	14,486.5	42.0%	18,876.7	47.3%	19,988.8	48.1%
MANAGEMENT FEES	50.7	0.3%	1,300.1	4.7%	1,605.3	4.7%	1,831.7	4.6%	1,946.3	4.7%
EBITDA	4,631.7	31.8%	8,860.6	31.9%	12,881.2	37.4%	17,045.0	42.7%	18,042.6	43.4%
FF&E RESERVE	239.2	1.6%	816.6	2.9%	992.3	2.9%	1,151.2	2.9%	1,200.5	2.9%
Net Operating Income	4,392.4	30.2%	8,044.0	29.0%	11,888.9	34.5%	15,893.8	39.8%	16,842.1	40.5%
Keys	557		557		557		557		557	
Rooms Available	121,107		202,398		201,845		202,213		202,573	
Occupancy (%)	65.7%		73.6%		80.6%		83.0%		84.7%	
Average Room Rate	131		136		153		166		169	
Revpar	86		100		123		138		143	

Source: Sponsor

DoubleTree by Hilton Westminster

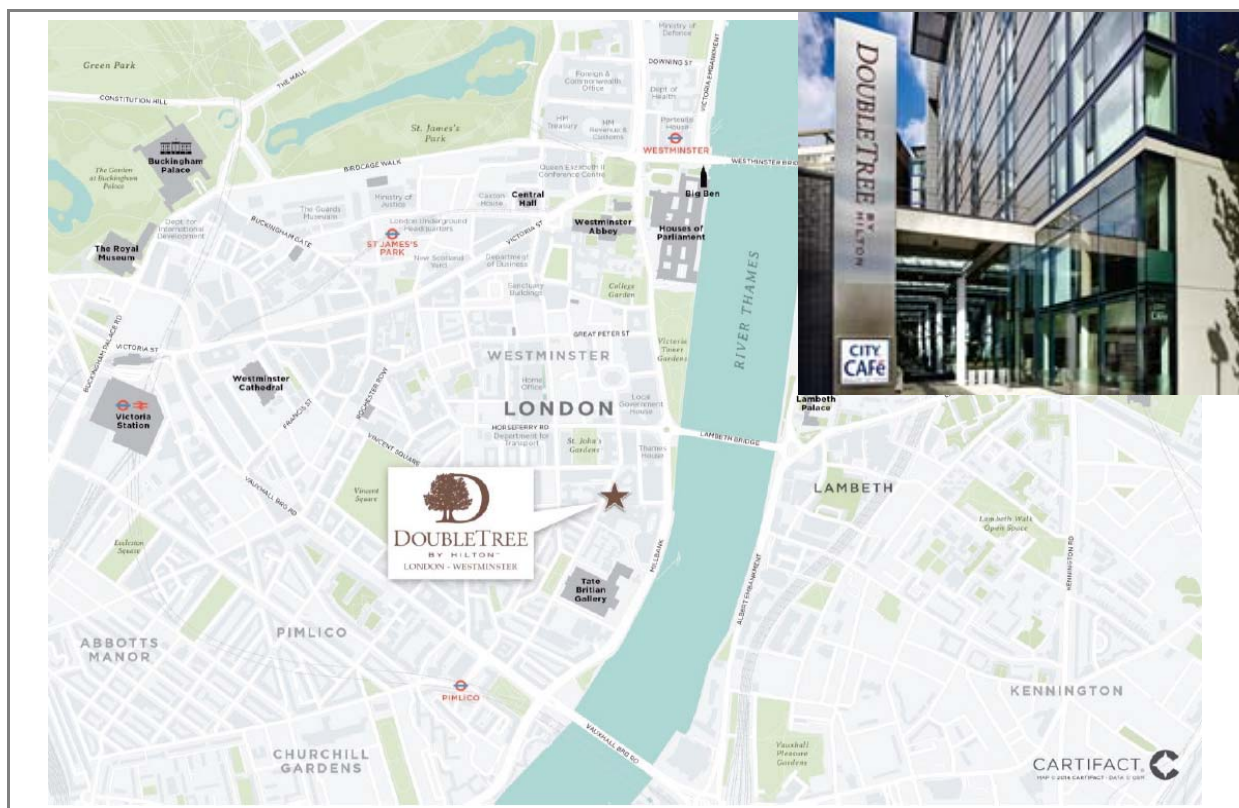
The DoubleTree by Hilton Westminster is a freehold property that was constructed in 2003, and is located near London Waterloo and Victoria Station. The hotel generated £8.8 million of Net Operating Income as at TTM March 2015. The hotel has recently undergone refurbishments of the City Café and Lobby in 2012 and of the Millbank Lounge in January-February 2015. The hotel is located near London Waterloo and Victoria Stations and in close proximity to the West End and key attractions including the Houses of Parliament and Tate Britain. The Queen Elizabeth II conference centre, Burberry HQ and government offices including MI5 are also nearby.

Name	Doubletree by Hilton Westminster
Address	30 John Islip Street, Westminster, London SW1P 4DD, United Kingdom
Year built	2003
Site area	2,838 sqm
Building area	22,376 sqm
Rating	Four-star
Suites and guestrooms	460
F&B facilities	City Café, Millbank Lounge
Meeting facilities	6 conference rooms including Sky Room
Other amenities	Small fitness studio, 20 car parking spaces
Tenure	Freehold
Management and brand	Managed by Hilton under the Doubletree by Hilton brand
Other agreements	None
Subletting	None
TTM March 2015 Occupancy	83.1%
TTM March 2015 EBITDA (GBP)	9,532,192
TTM March 2015 Net Operating Income (GBP)	8,843,567
Market Value (GBP)	157,600,000†

Source: Sponsor

† Source: CBRE valuation report

Location and picture



Historical Cash Flows

(in GBP 000's)	2011		2012		2013		2014		TTM Mar 2015	
	Local CCY	% sales	Local CCY	% sales	Local CCY	% sales	Local CCY	% sales	Local CCY	% sales
Rooms	£17,245.7	80.8%	£17,618.3	84.4%	£18,145.6	85.0%	£19,662.4	86.5%	£19,830.7	86.4%
Food & Beverages - Other	3,625.0	17.0%	2,828.1	13.5%	2,797.5	13.1%	2,693.0	11.8%	2,712.7	11.8%
Total Other Operating Departments	481.3	2.3%	427.1	2.0%	411.6	1.9%	377.1	1.7%	410.7	1.8%
TOTAL SALES	21,352.1	100.0%	20,873.5	100.0%	21,354.7	100.0%	22,732.4	100.0%	22,954.2	100.0%
COST OF SALES										
Rooms	3,055.2	14.3%	3,482.9	16.7%	3,626.9	17.0%	3,915.3	17.2%	4,040.5	17.6%
Food & Beverages	2,923.1	13.7%	2,206.1	10.6%	2,181.4	10.2%	2,094.7	9.2%	2,109.6	9.2%
Total Other Operating Department Expenses	122.9	0.6%	147.7	0.7%	140.1	0.7%	100.9	0.4%	94.9	0.4%
TOTAL OPERATING DEPARTMENT	6,101.2	28.6%	5,836.6	28.0%	5,948.4	27.9%	6,110.9	26.9%	6,245.0	27.2%
OVERHEADS										
Administrative & General	1,681.9	7.9%	2,117.5	10.1%	2,011.1	9.4%	2,107.1	9.3%	2,144.6	9.3%
Sales & Marketing	613.3	2.9%	566.3	2.7%	630.6	3.0%	779.9	3.4%	812.0	3.5%
Property Operations & Maintenance	457.2	2.1%	546.8	2.6%	550.7	2.6%	474.9	2.1%	538.0	2.3%
Utility Costs	643.2	3.0%	711.8	3.4%	777.1	3.6%	778.4	3.4%	723.5	3.2%
TOTAL OVERHEADS DEPT EXPENSES	3,395.6	15.9%	3,942.4	18.9%	3,969.5	18.6%	4,140.3	18.2%	4,218.2	18.4%
GROSS OPERATING PROFIT	11,855.2	55.5%	11,094.5	53.2%	11,436.9	53.6%	12,481.2	54.9%	12,491.1	54.4%
FIXED CHARGES										
Property & Other Taxes	1,271.6	6.0%	1,519.8	7.3%	1,615.2	7.6%	1,659.6	7.3%	1,667.3	7.3%
Insurance	124.1	0.6%	150.0	0.7%	124.8	0.6%	119.7	0.5%	119.3	0.5%
Other Adds & Deductions	62.4	0.3%	42.7	0.2%	4.6	0.0%	1.8	0.0%	3.1	0.0%
TOTAL FIXED CHARGES	1,457.9	6.8%	1,712.5	8.2%	1,744.6	8.2%	1,781.1	7.8%	1,789.7	7.8%
PROFIT BEFORE FEES	10,397.2	48.7%	9,382.0	44.9%	9,692.2	45.4%	10,700.1	47.1%	10,701.3	46.6%
MANAGEMENT FEES	14.5	0.1%	1,050.4	5.0%	1,077.9	5.0%	1,158.6	5.1%	1,169.2	5.1%
EBITDA	10,382.7	48.6%	8,331.6	39.9%	8,614.4	40.3%	9,541.5	42.0%	9,532.2	41.5%
FF&E RESERVE	198.5	0.9%	626.2	3.0%	640.2	3.0%	682.4	3.0%	688.6	3.0%
Net Operating Income	10,184.2	47.7%	7,705.4	36.9%	7,974.2	37.3%	8,859.1	39.0%	8,843.6	38.5%
Keys	460		460		460		460		460	
Rooms Available	167,902		168,360		167,900		167,900		167,900	
Occupancy (%)	79.7%		78.8%		83.1%		82.2%		83.1%	
Average Room Rate	129		133		130		142		142	
Revpar	103		105		108		117		118	

Source: Sponsor

DESCRIPTION OF THE HOTEL MANAGERS AND THE HOTEL MANAGEMENT AGREEMENTS

*The Senior Borrowers, as owners of the Hotels (in such capacity, the **Owners**), have assigned by way of security to the Common Security Agent all of their rights in respect of the Hotel Management Agreements (as defined below).*

Hotel Managers

Hilton UK Manage Limited is the manager of each of Doubletree by Hilton London Westminster and Doubletree by Hilton Tower of London. Hilton Worldwide Manage Limited is the manager of Doubletree by Hilton Amsterdam Centraal Station. Each of Hilton UK Manage Limited and Hilton Worldwide Manage Limited (together, the **Hotel Managers**) is ultimately controlled by Hilton Worldwide Holdings Inc. The Hotel Managers were appointed to manage the operation of the Hotels on 18 November 2011 pursuant to respective hotel management agreements as amended by side letters dated 18 November 2011, 20 January 2012 and 26 February 2014 (the **Hotel Management Agreements**).

Each Hotel Manager has entered a bank direct agreement on 17 December 2014 with the relevant Owner, the Common Security Agent and the Mezzanine Security Agent in connection with the Senior Facility Agreement and the Mezzanine Facility Agreement (each a **Bank Direct Agreement**).

Defined terms

Brand Standards means the written specifications, standards and requirements issued from time to time by the Hotel Manager or an affiliate stipulated for the design, construction, furnishing, equipping, fit out, decorating, supplying, operating, maintaining and marketing of Brand hotels, as may be amended or supplemented from time to time by the Hotel Manager or its affiliates.

Brand means the upscale brand for “Doubletree by Hilton” hotels and resorts operating under the system elements designated by the relevant Hotel Manager or its affiliates, from time to time, to identify hotels and resorts as “Doubletree by Hilton” hotels and resorts.

FF&E Account means one or more bank accounts of the Owner into which the FF&E Reserve Deductions are paid.

FF&E Reserve Deduction means an amount equal to 3 per cent. of Revenue or, if the Hotel Manager reasonably determines that the replacement value of the furnishings and equipment has increased to the extent that makes it necessary to increase this sum in order to preserve the standards of the Hotel consistent with the Brand Standards (with the prior written approval of the Owner), then such increased sum. Under the Mezzanine Facility Agreement, the Owners may not agree to any increase of the amount of FF&E Reserve Deduction without the Mezzanine Facility Agent’s prior written consent, if such increase is to 5 per cent. or more of Revenue or if a Cash Trap Event (as defined in the Senior Facility Agreement) is continuing (see the section entitled “*Description of the Facility Agreements*” for further information).

GOP Threshold means the gross operating threshold as set out originally in the Hotel Management Agreements, subject to an adjustment in each calendar year by the increase in the relevant consumer price index over the previous calendar year.

Gross Operating Profit means for any fiscal year or any period within a fiscal year, if the balance is positive, the amount calculated by deducting from Revenue the Operating Expenses.

Gross Rooms Revenue means all revenues derived from the sale or rental of guest bedrooms of the Hotel with certain further clarifications included in the Hotel Management Agreement.

Group Services and Benefits Charge means 2 per cent. of Revenue.

Non-Rooms Revenue means all revenues and income of any kind derived directly or indirectly from the operation of the Hotel with certain further clarifications included in the Hotel Management Agreement, but excluding all Gross Rooms Revenue and taxes collected directly from patrons or guests.

Opening Date means the date on which the relevant Hotel opened under the Brand.

Operating Account means, in respect of any Hotel, one or more bank accounts of the Owner into which the Revenue for that Hotel is paid.

Operating Expenses means the entire cost and expense of maintaining, conducting and supervising the management of the operation of the Hotel (excluding any VAT thereon) including the Royalty Fee, the Licence Fee, the Senior Group services and benefits charge and charges for the Hotel Specific Services, as specified in further detail in the Hotel Management Agreement. Ground rent, rental payments and real estate taxes and rates are deemed not to be Operating Expenses.

Revenue means all revenues and income (excluding any VAT thereon) of any kind derived directly or indirectly from the management of the operation of the Hotel by the Hotel Manager with certain further clarifications included in the Hotel Management Agreement.

The Hotel Management Agreements and Bank Direct Agreements

General

The following is a summary of some of the terms of the Hotel Management Agreements and Bank Direct Agreements and is not intended to be exhaustive. Investors and prospective investors should review this section in conjunction with the rest of the Prospectus and, in particular, the sections entitled “Description of the Facility Agreements” and “Risk Factors”.

Main terms of the Hotel Management Agreements

	Tower of London	Westminster (London)	Amsterdam
Brand	DoubleTree by Hilton	DoubleTree by Hilton	DoubleTree by Hilton
Manager	Hilton UK Manage Ltd	Hilton UK Manage Ltd	Hilton Worldwide Manage Limited
Execution Date	18 November 2011		
Handover Date	18 November 2011		
Expiration Date	31 December of the 20th full calendar year following the Handover Date.		
Royalty Fee	4% Gross Rooms Revenue 1% of Non-Rooms Revenue		
Licence Fee	1.5% Revenue		
Management Fee	10% of the part of Gross Operating Profit which exceeds the GOP Threshold provided that the management fee shall not in any event exceed in any fiscal year a sum equivalent to one per cent (1%) of Revenue in respect of the same fiscal year		
GOP Thresholds	£21,285,970 (as at 1 January 2013)	£13,167,710 (as at 18 November 2011)	€15,884,496 (as at 1 January 2013)
	On 1 January of each calendar year and commencing from the above dates, the gross operating threshold is adjusted by the increase in the relevant consumer price index (being, in respect of DoubleTree by Hilton Amsterdam Centraal Station, the Monetary Union Index of Consumer Prices calculated and published by Eurostat (or any other successor index which may replace the same) and, in respect of the other Hotels, the Consumer Prices Index compiled and published by the United Kingdom’s Office for National Statistics (or any other relevant body, authority or executive agency which may from time to time be responsible for its compilation and/or publication) or any other official cost of living index published in the place of or in substitution for that index) over the previous calendar year		
Group Services and Benefits	2% of Revenue	2% of Revenue	2% of Revenue
FF&E	3% of Revenue (subject to increases deemed necessary by the Hotel Managers)		
Effective Date	Execution date – 18 November 2011		

Under the terms of each Hotel Management Agreement, the applicable Hotel Manager is required to manage the operation of each Hotel in accordance with the budget determined for each fiscal year and solely as a hotel under the Brand Standards and for all activities in connection therewith which are customary and usual to such an operation.

Hotel Manager Fees

Each Hotel Manager receives the following fees no later than the 15th day of every month (with an additional one-off reconciliation payment each year following the determination of the Gross Operating Profit for the entire fiscal year) in consideration for the services performed under the relevant Hotel Management Agreement:

- (a) a royalty fee, being an amount equal to 4 per cent of Gross Rooms Revenue and 1 per cent. of the Non-Rooms Revenue (the **Royalty Fee**);
- (b) a licence fee, being an amount equal to 1.5 per cent. of Revenue (the **Licence Fee**); and
- (c) a management fee, being an amount equal to 10 per cent. of that part of the Gross Operating Profit which exceeds the GOP Threshold provided that the management fee shall not in any event exceed in any fiscal year 1 per cent. of Revenue in respect of the same fiscal year (the **Management Fee**, and together with the Royalty Fee and the Licence Fee, the **Hotel Manager Fees**).

In addition, each Hotel Manager shall be entitled to receive a Group Services and Benefits Charge and to recover their costs in providing certain hotel specific services (including, without limitation marketing, sales, business systems and human resources systems) (the **Hotel Specific Services**).

The Owners must gross up any payments to the Hotel Managers, to the extent such Owner must make any deductions or withholdings for tax in respect of such payments. This does not apply to payments of Hotel Manager Fees, in respect of which no tax gross up applies.

Owner's Return

During the term of the Hotel Management Agreement, the Hotel Manager shall transfer to the Owner not later than the 15th of every month (with an additional one-off reconciliation payment each year following the determination of the Gross Operating Profit for the entire fiscal year) the **Owner's Return** (after deduction of the amount of the FF&E Reserve Deduction) set out in the relevant Hotel Management Agreement. The Hotel Manager shall transfer the Owner's Return (after deduction of the amount of the FF&E Reserve Deduction) to such bank account as the Owner may from time to time nominate in writing.

Repair and Maintenance

Each Hotel Manager shall, on behalf of the relevant Owner, carry out all ordinary repairs and maintenance in and to the relevant Hotels so as to maintain such Hotels in a state of repair and condition no worse than existing at the Opening Date. The costs and expenses of all such repairs and maintenance shall be paid for out of the Operating Account.

Withdrawals from the FF&E Account may be used by the relevant Hotel Manager to make replacements of, and additions to, the furnishings and equipment, even where such amounts were not included in the budget provided (i) the cost of such replacements or additions in the aggregate does not exceed £15,000 (subject to indexation) in any 12 calendar month period after the Opening Date; or (ii) the same are necessary to deal with any emergency or unforeseen accident or event or to protect the functioning or safety of the relevant Hotels or of guests or visitors or of employees, or (iii) the same are necessary to maintain the relevant Hotels in accordance with the Brand Standards, or (iv) the

same are necessary for compliance with applicable laws, or (v) the same are necessary for compliance with insurance requirements with respect to fire, life, safety and security issues at the relevant Hotels; or (vi) such additional amounts do not materially deviate from the budget or are approved in writing in advance by the Owner.

Each Hotel Manager has the right to make alterations, additions and improvements to the relevant Hotels. Where this is not envisaged in the budget, the Hotel Managers will have this right provided that it is necessary (i) in the case of an emergency to protect the functioning or safety of the relevant Hotels or of guests or of visitors or of employees; (ii) to maintain the relevant Hotels in accordance with the Brand Standards, (iii) for compliance with applicable laws; or (iv) for compliance with insurance requirements with respect to fire, life, safety and security issues at the relevant Hotels.

The Owners will, at their own cost and expense throughout the term of the relevant Hotel Management Agreement, where reasonably necessary or where required to maintain the Hotels in accordance with the Brand Standards, renew, replace and/or rebuild the whole or any part or parts of the structure and fabric of the Hotels or, as the case may be, any part of the plant machinery and equipment. The Owners also take responsibility for any works required by applicable laws or required for health and safety purposes.

Damage and Condemnation

If a Hotel or any part thereof is damaged or destroyed at any time, the Owner will at its own cost and expense and with due diligence, repair, rebuild or replace the same such that the Hotel is re-established to its pre-damage condition and in compliance with Brand Standards. If only a part of a Hotel is damaged, such that it is feasible in the relevant Hotel Manager's reasonable opinion to continue to manage the operation of the remainder of the Hotel, then the Hotel Manager shall continue to manage such remainder of the Hotel. If the Owner decides not to rebuild a Hotel by reason of it not being economically feasible, the Owner shall promptly terminate the relevant Hotel Management Agreement, in which case the Hotel Manager will be entitled to compensation (as agreed between the Owner and the Hotel Manager or, in the absence of such agreement within 30 calendar days of notification of the termination, as settled by arbitration) for loss of the agreement. If the Owner determines not to rebuild a Hotel by reason of it not being economically feasible but at any time within the following 36 months initiates construction of a similar hotel on the same site, the Owner shall give the Hotel Manager the option (exercisable for a period of 90 days following notification of the construction of such new hotel) to recommence the term of the Hotel Management Agreement.

If the whole of a Hotel is taken or condemned in any way, or if such a part thereof is taken or condemned so as to make it imprudent or unreasonable in the Hotel Manager's reasonable opinion to use the remaining part of the Hotel as a hotel that is substantially the same as prior to such taking or condemnation and in compliance with the Brand Standards, then the Hotel Management Agreement shall terminate as of the date of such taking or condemnation, with any award for such taking or condemnation to be fairly and equitably apportioned between the Owner and Hotel Manager, as agreed between themselves. If only a part of a Hotel shall be taken or condemned and the taking or condemnation of such part does not make it unreasonable or imprudent, in the Hotel Manager's reasonable opinion, to manage the operation of the remainder of the Hotel as a hotel substantially the same as prior to such taking or condemnation and in compliance with the Brand Standards, then the Hotel Management Agreement shall not terminate but so much of any award made available to the Owner shall be made available, as shall be reasonably necessary for making alterations or modifications to the Hotel, or any part thereof, so as to make it a satisfactory architectural unit as a hotel substantially the same as prior to such taking or condemnation and in compliance with the Brand Standards.

Insurance

The Owners are required at all times during the term to procure and maintain adequate insurance to cover the replacement cost of the Hotels against loss or damage and provide to the Hotel Managers satisfactory evidence of all such insurance procured. Operational insurances are placed by the Hotel Managers although in certain circumstances the Owners are entitled to procure these insurances in place of the Hotel Managers.

Under the Bank Direct Agreements, the Hotel Managers agree that the Common Security Agent must also be named as “additional insured” on any policy of business interruption insurance placed under the relevant Hotel Management Agreements.

Assignments

Each Hotel Manager has the right, without the consent of the Owner, to assign any of its rights or transfer, sub-contract or delegate any of its obligations in whole or in part to any of its affiliates provided such affiliate enters into a deed of covenant with the Owner and all other relevant counterparties. Otherwise, the Hotel Manager has no right to assign the relevant Hotel Management Agreement nor in any manner sell, assign or transfer its interest in the Hotels without the Owner’s consent.

The Owner may assign its entire interest in the Hotel Management Agreement, together with a concurrent sale or transfer of its entire interest and ownership of the Hotels and the business conducted therein, to an affiliate so long as the Owner agrees to continue to be liable under the Hotel Management Agreement and any such transferee is not a Prohibited Person. The Owner may assign to a third party, together with a concurrent sale or transfer of its entire interest and ownership of the Hotel and the business conducted therein, so long as the transferee is not a Prohibited Person. Each transferee that acquires an interest from the Owner will be required to enter into a deed of covenant with the Hotel Manager and all other relevant counterparties.

Under the Bank Direct Agreements, each of the Hotel Managers and Owners agrees that it will not assign or transfer its rights under the relevant Hotel Management Agreements unless such assignees or transferees enter into replacement bank direct agreements (on substantially the same terms as the relevant Bank Direct Agreements) with the Common Security Agent and Mezzanine Security Agent and the relevant Hotel Managers or Owners (as applicable).

Under the Bank Direct Agreements, the Hotel Managers and Owners also agree to enter into replacement bank direct agreements (on substantially the same terms as the Bank Direct Agreements) with any assignee or transferee of the Common Security Agent or Mezzanine Security Agent who is not a Prohibited Financial Institution.

Prohibited Financial Institution means:

- (a) any person designated by any government or legal authority as a person with whom the relevant Hotel Manager or any of its affiliates are prohibited from transacting (including any person designated by the United States Department of Treasury’s Office of Foreign Assets Control as a “specially designated national or blocked person” or similar status in any other jurisdiction, or described in section 1 of the United States Executive Order 13224, issued on 23 September 2001);
- (b) any person where as a consequence of any security granted in respect of the relevant Hotel or the relevant Hotel Management Agreement, it becomes unlawful for the relevant Hotel Manager or its affiliates to contract with the relevant Owner under the relevant Hotel Management Agreement; or
- (c) any Prohibited Person.

Expiry and Termination

The Hotel Management Agreements will expire on 31 December 2031.

For each Hotel the applicable Hotel Manager and, where the Owner is the non-defaulting party, the Owner, has the right to terminate the related Hotel Management Agreement (subject to a specified cure period) upon the occurrence of certain events of default including:

- (a) the failure by a party to make a payment under the Hotel Management Agreement which had become due and payable and remained unpaid for 30 calendar days;
- (b) a party being subject to an insolvency event;
- (c) the occurrence of any event(s) or fact(s) are found to exist with respect to the Hotel or ownership thereof which would jeopardise any gaming licence or application for a gaming licence by the Hotel Manager or its affiliates for a hotel other than the Hotel;
- (d) the occurrence of any event(s) or fact(s) are found to exist with respect to the Hotel or the Owner or any person having any direct or indirect ownership, shareholding or equity interest (whether legal or beneficial) in, or any right to participate in any way in the decisions of, the Owner which would result in any of the foregoing being designated as a Prohibited Person; and
- (e) a material default in respect of a failure by a party to perform, keep or fulfil any of the other covenants, undertakings, obligations or conditions set forth in the Hotel Management Agreement and continuance of such default for 30 calendar days after receipt of written notice of the default.

Under the Bank Direct Agreements, the Hotel Managers have agreed not to exercise any right to terminate the Hotel Management Agreements solely on any of the following grounds:

- (a) the mere existence of a default under the Senior Finance Documents or the Mezzanine Finance Documents;
- (b) the mere fact that there has been an enforcement of any security granted to the Common Security Agent or Mezzanine Security Agent over the assets of the Owner; or
- (c) the mere fact that there has been an acceleration of any of the debt secured in favour of the Common Security Agent or Mezzanine Security Agent.

Under the Bank Direct Agreements, the Hotel Managers have also agreed not to exercise a right to terminate the Hotel Management Agreements without first giving the Common Security Agent and the Mezzanine Security Agent 30 days' prior written notice and, prior to the end of such period:

- (a) the Common Security Agent and/or Mezzanine Security Agent gives written notice to the relevant Hotel Manager of its intention to remedy the matters giving rise to the relevant Hotel Manager's right to terminate; and
- (b) either such matters are remedied or (if such matters reasonably require a longer period to remedy) steps are taken to remedy such matters and, after such period, are diligently advanced.

In addition, each Owner has certain other rights to terminate the relevant Hotel Management Agreement as referred to in the Initial Valuation.

Under the Bank Direct Agreements, the Hotel Managers and the Owners have agreed that the Common Security Agent may exercise the right to terminate on behalf of the relevant Owner in connection with a Sale of a Hotel being undertaken pursuant to relevant enforcement action.

Sale of a Hotel means any transaction whereby a controlling interest in any Owner or the majority of the beneficial interest in a Hotel is sold, granted, conveyed, assigned, exchanged, transferred, given, or otherwise transferred, to an unrelated third party.

Prohibited Person means (i) a sanctioned person (further defined in the Hotel Management Agreement), (ii) a person who is likely to jeopardise a gaming licence or an application for a gaming licence by the Hotel Manager or one of its affiliates for a hotel other than the Hotel, or (iii) a competitor (further defined in the Hotel Management Agreement).

Security

Although the Hotel Management Agreements contain restrictions on the ability of the Owners to grant security over the Hotels, each Hotel Manager has acknowledged and approved the security granted in connection with the Mezzanine Facility Agreement.

Role and Services

The Hotel Management Agreements give control and discretion to the Hotel Managers to operate the Hotels. The Hotel Managers are responsible for the day-to-day administration of the Hotels including, *inter alia*, carrying out all ordinary repairs and maintenance in and to the Hotels, and making alterations, additions, or improvements in or to the Hotels. The Hotel Managers are also obliged under the terms of the Hotel Management Agreements to provide various other services in respect of the management of the Hotels (including, *inter alia*, central and international marketing, central and international sales and area office supervision).

The Hotel Management Agreements permit the Hotel Manager to use the Hotels for all customary purposes, terms of admittance, charges for rooms and commercial space, entertainment and amusement, sport and recreation, food and beverages, labour policies, the maintenance of the bank accounts relating to the operation of the Hotels and the holding of funds in the Owner's name and all phases of promotion and publicity relating to the Hotels. The Hotel Managers are also permitted to lease, licence or grant concessions in respect of commercial space for the provision of goods and/or services for any other ancillary purposes, and enter into agreements or licences for the use of any part or parts of the hotels for advertising or promotional purposes. The Hotel Managers also have the ability to make pricing, revenue management and distribution strategies, but such strategies must be approved by the Owner (such approval not to be unreasonably withheld or delayed or provided subject to unreasonable conditions).

The Hotel Managers will provide financial statements to the relevant Owners concerning the operation of the Hotels and the cashflow and budget within 15 calendar days of the end of each calendar month.

Each Hotel Manager has agreed to exercise the skill, effort, care and expertise reasonably expected of a prudent international hotel operator of similar calibre as the Hotel Managers in performing its obligations under the relevant Hotel Management Agreement.

Personnel

Each Hotel Manager has control and discretion over labour policies, including the terms and conditions of employment and the hiring, discharging, promotion or demotion of employees. Each Hotel Manager is responsible for entering into all contracts of employment. However, the persons employed to work in or for the relevant hotel shall be employees of the Owner and not the relevant

Hotel Manager (with the exception of Seconded Employees). In respect of all Hotels except for Doubletree by Hilton Amsterdam Centraal Station, the relevant Owner agrees to keep the Hotel Manager indemnified in respect of any claims, proceedings, demands, awards, losses, damages, costs, liabilities, interest or expenses that may be suffered or incurred in connection with the employment and/or dismissal of any person who works, has worked or who claims to work or have so worked, at the Hotels, and who transfers or claims to transfer to the Hotel Manager pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 or otherwise.

In respect of all Hotels except for Doubletree by Hilton Amsterdam Centraal Station, during the operating term of the agreements any and all of the costs associated with any Seconded Employees are to be borne by the Owner and shall be an operating expense of the Hotel. The Owner (in the absence of wilful default of the Hotel Manager) indemnifies the Hotel Manager, its affiliates and officers, employees, contractors and agents (each an **Indemnified Party**) against any losses, claims, liabilities, costs, damages, fines or expenses incurred or suffered by such Indemnified Party in connection with the employment of a Seconded Employee or any actual or threatened claims, allegations, actions or proceedings brought or made by or on behalf of any Seconded Employee against an Indemnified Party.

Key Employees means all positions of senior management of the Hotel, including (i) General Manager, (ii) Director of Finance / Financial Controller, (iii) Director of Human Resources, (iv) Sales Manager, (v) Director of Business Development/Revenue Manager, and (vi) Director of Operations.

Seconded Employees means Key Employees of the Hotel Manager or its affiliates which are seconded to work at any Hotel with the exception of Doubletree by Hilton Amsterdam Centraal Station.

Budget

During the term of each Hotel Management Agreement, on or before 30 November of each year, each Hotel Manager is required to submit to the relevant Owner for its approval, the proposed budget for the forthcoming fiscal year in respect of the relevant Hotel. Such budget is required to contain reasonable details of (i) the Hotel's anticipated revenue and expenses for such fiscal year, and (ii) the Hotel's proposed capital expenditure requirements for such fiscal year (including expenditures required to maintain the Hotel in accordance with the Brand Standards).

Cash Management and Accounts

The Hotel Manager shall have control and discretion to maintain the bank accounts relating to the Hotels. All bank accounts and other deposits relating to the operation of the Hotels shall be in the name of the Owner, but the Hotel Manager has the sole power to designate the signatories of such bank accounts or other depositaries.

The Owner shall pay into the Operating Accounts of the Hotels sufficient working capital to ensure the uninterrupted and efficient operation of the Hotels, the timely payment of all current liabilities of the Hotels and the timely performance by the Hotel Manager of its obligations under the Hotel Management Agreement. The Hotel Manager shall pay to the Owner any mutually agreed long term accumulated surplus of working capital in the Operating Accounts of the Hotels from time to time that the parties mutually agree is not required for the long term management or operation of the Hotels.

The Hotel Manager is entitled to withdraw from the Operating Accounts of the Hotels the Hotel Manager Fees on the dates set out above under the sub-heading "Compensation" and is entitled to transfer the Hotel Manager Fees to such bank account as it may nominate. The Hotel Manager shall transfer the Owner's Return (after deduction of the amount of the FF&E Reserve Deduction) to such bank account as the Owner may from time to time nominate in writing on the dates set out above under the sub-heading "*Owner's Return*".

A FF&E Account is maintained by the Hotel Manager in respect of furnishings and equipment. Before making any payment of the Owner's Return, the Hotel Manager shall deduct from the Owner's Return the amount of the FF&E Reserve Deduction, and deposit this in the FF&E Account in each calendar month. In addition, the Hotel Manager shall deposit into the FF&E Account all proceeds from the sale of furnishings and equipment no longer required for the operation of the Hotels. The Hotel Manager is entitled to withdraw, from time to time, from the balance then standing on the FF&E Account, any amounts required to make replacements of, and additions to, the furnishings and equipment (including replacements of, and additions to, the furnishings and equipment not included in the budget) subject to certain caveats provided that in respect of any projects undertaken in respect of the Hotels which is to be funded out of the FF&E Account, the Owner and Hotel Manager shall agree upfront the fees to be paid for the services to be rendered.

The Senior Facility Agent may take control of the Operating Account and/or FF&E Accounts on a Senior Loan Event of Default. Control may also be taken by the Common Security Agent in an enforcement scenario because security has been granted by the Owners over such accounts.

Amendments

Under the Bank Direct Agreements, the Hotel Managers and the Owners must not amend the relevant Hotel Management Agreements where such amendment would, in the opinion of the relevant Owner (acting reasonably), be likely to have a material adverse effect on the operation or performance of the relevant Hotel without the prior written consent of the Common Security Agent and the Mezzanine Security Agent (in each case not to be unreasonably withheld or delayed).

Petition for winding up of Owner

Under the Hotel Management Agreements, the Owners have granted powers of attorney to the relevant Hotel Managers in the context of a winding up petition being submitted in respect of such Owner.

Force majeure

Under the Hotel Management Agreements, the Hotel Managers have the right to temporarily close the relevant Hotels if a force majeure event occurs. A force majeure event as defined in the Hotel Management Agreements are any events, crises, trends or state of affairs which are beyond the control of the affected party to the Hotel Management Agreement, including (among others) war, terrorism, strikes, epidemic, fire, or flood, but not including any inability of a party to meet its financial obligations for any reason. See also the restriction on closure of Hotels in the Mezzanine Facility Agreement (see the section entitled "*Description of the Facility Agreements*" for further information).

THE KEY CHARACTERISTICS OF THE LOAN SECURITY

Senior Loan Security and Mezzanine Loan Security

The obligations of the Senior Obligors under the Senior Finance Documents will be secured by the following security interests created under the Transaction Security Documents:

(a) *English law common security*

Pursuant to the English law security agreement entered into on 17 December 2014 between the Senior Obligors and the Common Security Agent (the **English Common Security Agreement**, each Senior Obligor granted the following security (to the exclusion of any present and future assets pledged under any Dutch Security Agreements (as defined below) in favour of the Common Security Agent who holds such security on trust for the Common Secured Parties):

- (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 in England and Wales as at the date of the English Common Security Agreement or subsequently owned by it;
- (ii) a first fixed charge over its interests in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf;
- (iii) a first fixed charge over all of its rights in respect of any amount standing to the credit of any account which is held by the Senior Obligors located in England and Wales and the debt represented by it;
- (iv) a first fixed charge over all of its book and other debts, all other monies due and owing to it and the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
- (v) a first fixed charge over all of its rights under any collateral warranty and any construction contract which contains a collateral warranty;
- (vi) an absolute assignment, subject to a proviso for re-assignment on redemption, of all of its rights under any contract of insurance taken out by it or on its behalf or in which it has an interest and in each case which is governed by English law and all monies payable and all monies paid to it under or in respect of all such contracts of insurance;
- (vii) an absolute assignment, subject to a proviso for re-assignment on redemption, of all its rights under any Hedge Document;
- (viii) an absolute assignment, subject to a proviso for re-assignment on redemption, of all its rights under any Subordinated Loan, each Hotel Management Agreement, each lease, each asset management agreement to which a Senior Obligor is a party and any other agreement governed by English law to which a Senior Obligor is a party to the extent an assignment is permitted in accordance with the terms of the relevant contract and except to the extent that it is subject to any fixed security created under any other term of this provision;
- (ix) a first fixed charge over any beneficial interest, claim or entitlement it has in any pension funds, its goodwill, the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Security Asset, the right to recover and receive compensation which may be payable to it in respect of any such authorisation and its uncalled capital; and

- (x) 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 English Common Security Agreement, except for any assets which are the subject of any security interest created by, or under or pursuant to any other Common Security Document.

(b) *Dutch law security*

The following Dutch law security agreements were entered into on 17 December 2014:

- (i) Carolia Amsterdam Hotel B.V. granted an undisclosed pledge over the lease receivables arising under the lease agreement with Sixt B.V. in favour of the Common Security Agent;
- (ii) Carolia Amsterdam Hotel B.V. granted a disclosed pledge over all its present and future rights arising under or in connection with each of its Control Accounts and each of its other existing accounts held with the Borrower Account Bank in favour of the Common Security Agent;
- (iii) Carolia Amsterdam Hotel B.V. granted a right of mortgage over the Dutch Property and a non-possessory pledge over its currently owned moveable assets or in the future acquired movable assets which according to common practice are designated to serve the Dutch Property on a lasting basis and which by its form is identifiable as such, as well as all machinery and equipment which is designated to be used to operate a business in the Dutch Property in favour of the Common Security Agent; and
- (iv) Carolia HoldCo Limited granted a disclosed pledge over all its existing and future shares in Carolia Amsterdam Hotel B.V. and share rights relating to these shares in favour of the Common Security Agent;

(collectively, the **Dutch Security Agreements** and, together with the English Common Security Agreement, the **Common Security Documents**).

(c) *English law mezzanine security*

The following English law security agreement was entered into on 17 December 2014: a security agreement between the Mezzanine Holdco, the Mezzanine Borrower and the Mezzanine Security Agent (a **Mezzanine English Security Agreement**).

Under the Mezzanine English Security Agreement, the Mezzanine Holdco and the Mezzanine Borrower granted the following security in favour of the Mezzanine Security Agent who holds such security on trust for the Mezzanine Finance Parties):

- (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 in England and Wales as at the date of the Mezzanine English Security Agreement or subsequently owned by it;
- (ii) a first fixed charge over its interests in all shares, stocks, debentures, bonds or other securities and 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 which is held by the Mezzanine Holdco and/or the Mezzanine Borrower located in England and Wales and the debt represented by it;
- (v) a first fixed charge over all of its book and other debts, all other monies due and owing to it and the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
- (vi) a first fixed charge over all of its rights under any collateral warranty and any construction contract which contains a collateral warranty;
- (vii) an absolute assignment, subject to a proviso for re-assignment on redemption, of all of its rights under any contract of insurance taken out by it or on its behalf or in which it has an interest and in each case which is governed by English law and all monies payable and all monies paid to it under or in respect of all such contracts of insurance;
- (viii) an absolute assignment, subject to a proviso for re-assignment on redemption, of all its rights under any mezzanine hedge document;
- (ix) an absolute assignment, subject to a proviso for re-assignment on redemption, of all its rights under each lease, any Subordinated Loan, each Hotel Management Agreement, each asset management agreement to which the Mezzanine Holdco and/or the Mezzanine Borrower is a party and any other agreement governed by English law to which the Mezzanine Holdco and/or the Mezzanine Borrower is a party to the extent an assignment is permitted in accordance with the terms of the relevant contract and except to the extent that it is subject to any fixed security created under any other term of this provision;
- (x) a first fixed charge over any beneficial interest, claim or entitlement it has in any pension funds, its goodwill, the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Security Asset, the right to recover and receive compensation which may be payable to it in respect of any such authorisation and its uncalled capital; and
- (xi) 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 English Common Security Agreement, except for any assets which are the subject of any security interest created by, or under or pursuant to any other Mezzanine Transaction Security Document.

Trust arrangements and parallel debt arrangements

Pursuant to the Intercreditor Agreement, the Common Security Agent holds security created by each Transaction Security Document governed by English law in its favour on trust for the Common Secured Parties on the terms of the Intercreditor Agreement.

In relation to each Transaction Security Document governed by Dutch law the Common Security Agent holds any security governed by Dutch law, the benefit of any Common Security Agent Claim and the proceeds of that security for the Common Secured Parties on the terms of the Intercreditor Agreement.

Common Security Agent Claim means the amount that each Debtor must pay to the Common Security Agent, as an independent and separate creditor, equal to each Common Secured Party Claim owed by it on its due date.

Common Secured Party Claim means any amount which a Debtor owes to a Common Secured Party under or in connection with the Senior Finance Documents or the Mezzanine Finance Documents.

Enforceability

The security under the English Common Security Agreement is expressed to be immediately enforceable if prior to the Senior Discharge Date a Senior Loan Event of Default occurs and is continuing or if after the Senior Discharge Date a Mezzanine Loan Event of Default occurs and is continuing. The security under the Dutch Security Agreements is expressed to be enforceable prior to the Senior Discharge Date following the occurrence and continuation of a Senior Loan Event of Default, after the Senior Discharge Date following the occurrence and continuation of a Mezzanine Loan Event of Default, and a default (*verzuim*) in the performance of any of the Common Security Agent Claim.

In relation to the Common Transaction Security, the Instructing Group which may instruct the Common Security Agent as to enforcement is as specified in the Intercreditor Agreement. For further information see “*Description of the Intercreditor Agreement—Enforcement Action*”.

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

DESCRIPTION OF THE LOAN SALE DOCUMENTS

Loan Sale Documents

Consideration

Pursuant to the terms of the loan sale agreement to be dated on or about the Closing Date (the **Loan Sale Agreement** together with a transfer certificate (the **Transfer Certificate** and together with the Loan Sale Agreement, the **Loan Sale Documents**), the Loan Seller will sell and the Issuer will purchase the Securitised Loans and the Loan Seller's interest in the Senior Loan Security (its beneficial interests in the security trusts created over the Senior Loan Security) in so far as it pertains to the Securitised Loans. Consequently, from the Closing Date, the Issuer will be a Senior Lender under the Senior Facility Agreement.

The initial purchase consideration to be paid on the Closing Date by the Issuer to the Loan Seller pursuant to the Loan Sale Agreement will be comprised as follows:

- (a) an initial cash amount of £251,084,000 in respect of the Securitised GBP Loan (the **GBP Initial Cash Consideration**); and
- (b) an initial cash amount of €130,965,000 in respect of the Securitised EUR Loan (the **EUR Initial Cash Consideration**, together with the GBP Initial Cash Consideration, the **Initial Cash Consideration**).

In addition to the Initial Cash Consideration payable to the Loan Seller, the Issuer will on the Closing Date, issue:

- (a) the GBP-X Certificates to the Loan Seller representing the Loan Seller's right (as initial holder of such certificates) to receive any Class GBP-X Distribution Amounts and any Subordinated GBP-X Certificates Amounts; and
- (b) the EUR-X Certificates to the Loan Seller representing the Loan Seller's right (as initial holder of such certificates) to receive any Class EUR-X Distribution Amounts and any Subordinated EUR-X Certificates Amounts.

On each Note Payment Date, the Issuer will pay to the Loan Seller or its assignee, to the extent that the Issuer has funds, an amount by way of Additional Deferred Consideration for the purchase of the Securitised Loans and the related Senior Loan Security. The Additional Deferred Consideration will be paid in accordance with the applicable Issuer Priorities of Payments and will be an amount equal to:

- (a) on the Senior Loan Interest Payment Date on which such amounts are received by the Issuer from the Senior Borrowers under the Senior Facility Agreement, an amount equal to the difference between:
 - (i) the aggregate amount of interest that accrued on the Senior Loans during the period from (and including) 15 May 2015 to (but excluding) the date falling seven days prior to the Closing Date; and
 - (ii) (A) with respect to the GBP Notes, an amount equal to (1) the aggregate Principal Amount Outstanding of the GBP Notes as of the Closing Date, multiplied by (2) the number of days between (and including) the Closing Date to (but excluding) such Note Payment Date, divided by 365, multiplied by (3) the excess (if any) of the LIBOR over Loan LIBOR; and

(B) with respect to the EUR Notes, an amount equal to (1) the aggregate Principal Amount Outstanding of the EUR Notes as of the Closing Date, multiplied by (2) the number of days between (and including) the Closing Date to (but excluding) such Note Payment Date divided by 360, multiplied by (3) the excess (if any) of the EURIBOR over Loan EURIBOR;

- (b) the balance remaining after application of funds in payment of all items ranking in priority under the relevant Issuer Priorities of Payments (the **Additional Deferred Consideration**). It is not expected that any Additional Deferred Consideration will, in practice, fall payable, because of payments of Class X Payment Amounts on the Class X Certificates).

Similarly, on each Note Payment Date, to the extent that the Issuer has funds, the Class X Certificateholders will be entitled to be paid the GBP-X Certificates Distribution Amount and the Subordinated GBP-X Certificates Amounts or the EUR-X Certificates Distribution Amount and the Subordinated EUR-X Certificates Amounts as applicable in accordance with the applicable Issuer Priorities of Payments

See further “*Cashflows and Issuer Priorities of Payments*” below.

Registration/Legal title

The Senior Facility Agent will in accordance with the terms of the Senior Facility Agreement, execute the Transfer Certificate on the Closing Date and send a copy of the same to the Senior Borrowers.

Representations and Warranties

The Issuer has not made any enquiries, searches or investigations of or in respect of any Senior Borrower, any Senior Obligor, the Securitised Loans, the Senior Loan Security as it pertains to the Senior Loans, the sums receivable under or in respect of the Securitised Loans or the Senior Loan Security, the terms and conditions of the Securitised Loans or the Senior Loan Security, the creditworthiness of the Senior Borrowers or the Senior Obligors in respect of the value, title or condition of any of the Properties or as to compliance with or the validity or enforceability of any of the Senior Loan Security.

The Issuer will rely solely upon the representations and warranties given by the Loan Seller under the Loan Sale Agreement.

Subject to the agreed exceptions, materiality qualifications and, where relevant, the general principles of law limiting the same, the representations and warranties to be given by the Loan Seller and the Senior Facility Agent on the Closing Date under the Loan Sale Agreement include (the **Securitised Loan Warranties** and each a **Securitised Loan Warranty**):

1. The Securitised GBP Loan carries a right to repayment of principal under the Senior Facility Agreement in an amount not less than the aggregate initial Principal Amount Outstanding of the GBP Notes and the Securitised EUR Loan carries a right to repayment of principal under the Senior Facility Agreement in an amount not less than the aggregate initial Principal Amount Outstanding of the EUR Notes.
2. Interest is charged on each of the Securitised Loans at such a rate or rates as may be determined in accordance with the provisions of the Senior Facility Agreement.
3. Each of the Senior Loans has been advanced in full to the Senior Borrowers.
4. No Senior Lender is obliged, under the terms of the Senior Facility Agreement, to make any further advance to any Senior Obligor or other party.

5. The Loan Seller has, since the date of origination of the Senior Loans, kept full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to the Senior Loans and which are complete and accurate in all material respects.
6. Each Property is situated in England or the Netherlands.
7. So far as the Loan Seller is aware, no Senior Loan Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Senior Finance Documents or any combination of any of the foregoing) be a Senior Loan Event of Default which is material in the context of the issuance of the Notes has occurred and has not been cured or waived.
8. The Loan Seller is not aware (from any information received by it in the course of administering the Senior Loans 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 Senior Loans (other than market forces generally).
9. The Loan Seller is the sole legal and beneficial owner of the Securitised Loans and is the sole beneficial owner of the interest in the Senior Loan Security in so far as it pertains to the Securitised Loans, in each case free and clear of all encumbrances, claims and equities.
10. The Loan Seller is entitled, under the terms of the Senior Facility Agreement and subject to the provisions for transfer as set out therein, to enter into the Loan Sale Agreement, to execute and deliver the Transfer Certificate and to transfer the Securitised Loans and all right, title and interest of a Senior Lender in respect thereof (including as to security) under the Senior Finance Documents to the Issuer absolutely.
11. Prior to the advancing of the Senior Loans:
 - (a) the Loan Seller commissioned a due diligence procedure which initially or after further investigation disclosed nothing which caused it to decline to proceed with the advance on its agreed terms; and
 - (b) the Loan Seller (having conducted the due diligence referred to in this Prospectus) was not aware of any matter or thing affecting the title of the Senior Borrowers to any part of the Senior Loan Security which caused it to decline to proceed with the advance or acquisition on its agreed terms (including as to the requirement for title insurance to be in place).
12. To the best of the 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 Senior Loans was negligently or fraudulently prepared.
13. The Properties securing the Senior Loans were valued by an independent valuer prior to the advance of the Senior Loans.
14. To the best of the Loan Seller's knowledge (having made no investigation in respect thereof), the Initial Valuation was not fraudulently undertaken by the relevant valuer and such Initial Valuation did not fail to disclose any fact or circumstance which, if disclosed, would have caused the Loan Seller to decline to proceed with its origination of the Senior Loans.
15. Prior to the date of the origination of the Senior Loans, to the best of the Loan Seller's knowledge, the origination and advance of the Senior Loans and any relevant Senior Loan Security was subject to all necessary internal approvals of the Senior Borrowers.

16. The Loan Seller has performed in all material aspects all of its obligations under or in connection with the Senior Loans and so far as the Loan Seller is aware none of the Senior Obligors has taken or threatened to take any action against the Loan Seller, the Senior Facility Agent or the Common Security Agent for any material failure on the part of the Loan Seller, the Senior Facility Agent or the Common Security Agent under or in respect of the Senior Loans to perform any such obligations.
17. The Loan Seller is not aware of any litigation or claim calling into question in any material way the Loan Seller's title to the Securitised Loans or the Common Security Agent's title to any material part of the Senior Loan Security.
18. The Loan Seller has not received written notice of any default or termination pursuant to the terms of the Hotel Management Agreement in respect of the Properties or of the insolvency of any Hotel Manager of the Properties which would, in any case, render the Properties unacceptable as security for the Senior Loans.
19. Prior to making the initial advance under the Senior Loans, (i) no express recommendation was received by the Loan Seller from the Valuer in connection with its work on the Initial 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 Loan Seller to not be necessary to perform prior to such origination or acquisition, and (ii) if any such environmental audit, survey or report was performed prior to such origination or acquisition, the results of any such environmental audit, survey or report which was procured by the Loan Seller were made available to the Valuer in respect of the Initial Valuation.
20. The sale of the Securitised Loans will occur in the ordinary course of the business of the Loan Seller.
21. On the basis of the legal opinions referred to in the Senior Facility Agreement, the Securitised Loans constitute valid and binding obligations of, and are enforceable against, the Senior Borrowers, subject to general principles of law limiting the same, as set out in the legal opinions referred to in the Senior Facility Agreement.
22. The Loan Seller has received title reports or certificates of title confirming that each Senior Borrower has a good and marketable title to its respective Property except as disclosed in any such reports or certificates of title.
23. To the best of the Loan Seller's knowledge after using reasonable endeavours to ensure the same with regard to the Properties securing the Securitised Loans, the Properties are covered by insurance as described in Clause 24.10 of the Senior Facility Agreement.
24. The Loan Seller has not received written notice that any insurance policy is about to lapse on account of the failure by the relevant Senior Borrower maintaining such insurance to pay the relevant premiums.

Remedy for Material Breach of Securitised Loan Warranty

In the event of 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 Notes (a **Material Breach of Securitised Loan Warranty**), the Loan Seller will be required, within 60 days (or such longer period not exceeding 90 days as the Issuer or the Issuer Security Trustee may agree) of receipt of written notice of the relevant Material Breach of Securitised Loan Warranty from 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 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 as a result of such Material Breach of Securitised Loan Warranty.

The Issuer will not have any claim in respect of any breach of any Securitised Loan Warranty that is not a Material Breach of Securitised Loan Warranty.

If:

- (a) a Securitised Loan Warranty relates to facts or circumstances which relate to the same subject matter as a warranty given under the Senior Facility Agreement which is deemed repeated on the Closing Date (a **Relevant Senior Loan Facility Warranty**);
- (b) a Material Breach of Securitised Loan Warranty would arise as a result of those facts or circumstances; and
- (c) the relevant circumstances do not constitute a Senior Loan Event of Default by reason of the fact that the Relevant Senior Loan Facility Warranty by virtue of a qualification of awareness of any Senior Obligor or other person,

the existence of those facts and circumstances shall not be deemed to constitute a Material Breach of Securitised Loan Warranty.

In the event that the Issuer makes a demand for indemnity in respect of a Material Breach of Securitised Loan Warranty, the Loan Seller will be entitled (but will not be obliged), as an alternative to the Loan Seller being required to indemnify the Issuer, to repurchase the Securitised Loans and the Senior Loan Security pertaining to it on a date not later than the second Senior Loan Interest Payment Date following the demand. The consideration payable in these circumstances will be an amount equal to the principal balance of the Securitised Loans then outstanding, any accrued but unpaid interest thereon plus all other amounts outstanding to the Issuer as a Senior Finance Party.

DESCRIPTION OF THE FACILITY AGREEMENTS

THE SENIOR FACILITY AGREEMENT

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

The right of the Issuer and the Senior Facility Agreement are limited pursuant to the Intercreditor Agreement. See “*Description of the Intercreditor Agreement*”.

Purpose and application

The Senior Borrowers undertook to apply all amounts borrowed under the Senior Facility Agreement in or towards refinancing indebtedness of the Senior Group (including, without limitation, accrued interest, hedge termination costs, break costs, Senior Loan Prepayment Fees and any other fees, costs and expenses in relation thereto), financing or refinancing of all fees, costs and expenses and stamp, transfer, registration, notarial and other taxes incurred by a member of the Senior Group directly or indirectly in connection with the Senior Finance Documents.

Senior Loan amount and drawdown

The maximum amount of borrowing under the Senior Facility Agreement was: (i) £339,973,000 under the Senior GBP Loan and (ii) €139,240,000 under the Senior EUR Loan which was drawn in full. As at the Closing Date (and following the disposal of the five UK hotels in May 2015), the Securitised GBP Loan portion of the Senior GBP Loan is £251,084,000, and the Securitised EUR Loan portion of the Senior EUR Loan is €130,965,000. The Senior Facility Agreement does not place any obligation on the Issuer to make advances to the Senior Borrowers.

Certain defined terms

Break Costs means the amount (if any) by which:

- (a) the interest (excluding Senior GBP Loan Margin or Senior EUR Loan Margin, as applicable, on any portion of the Senior Loans not comprised in the Securitised Loans and including Senior GBP Loan Margin or Senior EUR Loan Margin, as applicable, on the Securitised Loans) which a Senior Lender should have received for the period from the date of receipt of all or any part of its participation in a Senior Loan or Senior Loan Unpaid Sum to the last day of the current Senior Loan Interest Period in respect of that Senior Loan or Senior Loan Unpaid Sum, had the principal amount or Senior Loan Unpaid Sum received been paid on the last day of that Senior Loan Interest Period;

exceeds:

- (b) the amount which that Senior Lender would be able to obtain by placing an amount equal to the principal amount or Senior Loan 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 Senior Loan Interest Period in respect of that Senior Loan or Senior Loan Unpaid Sum.

Delegate means any delegate, agent, attorney, manager or co-trustee appointed by the Senior Facility Agent or the Common Security Agent.

Disposal Proceeds means the consideration receivable by any member of the Senior Group (including any amount receivable in repayment of intercompany debt) for any disposal made by any member of the Senior Group after deducting:

- (a) any reasonable fees, costs and expenses which are incurred by any member of the Senior Group with respect to that disposal payable to persons who are not members of the Senior Group (other than any Investor Affiliate); and
- (b) any tax incurred and required to be paid by any member of the Senior Group in connection with that disposal (as reasonably determined by such member of the Senior Group, on the basis of existing rates and taking account of any available credit, deduction or allowance).

Excluded Insurance Proceeds means:

- (a) any proceeds of insurance claims of up to £50,000 per annum (or its equivalent in another currency or currencies); and
- (b) any proceeds of an insurance claim which Senior PledgeCo notifies the Senior Facility Agent are, or are to be, applied as soon as possible (but in any event within 12 months after receipt or 24 months after receipt provided that such proceeds are contractually committed to be applied no later than 12 months after receipt):
 - (i) to meet a third party claim; and/or
 - (ii) to cover operating losses or business interruption in respect of which the relevant insurance claim was made; and/or
 - (iii) to replace, reinstate and/or repair the relevant assets in respect of which the relevant insurance claim was made.

Excluded Recovery Proceeds means any proceeds of a Recovery Claim which Senior PledgeCo notifies the Senior Facility Agent are, or are to be, applied as soon as possible (but in any event within 12 months after receipt or 24 months after receipt provided that such proceeds are contractually committed to be applied no later than 12 months after receipt):

- (i) to satisfy (or reimburse a member of the Senior Group which has discharged) any liability, charge or claim upon a member of the Senior Group by a person which is not a member of the Senior Group; and/or
- (ii) in the replacement, reinstatement and/or repair of assets or property of members of the Senior Group which have been lost, destroyed or damaged,

in each case in relation to that Recovery Claim.

Expropriation means that any part of the Property is compulsorily purchased or is otherwise nationalised or expropriated or is disposed of in order to comply with an order of any agency of state, authority, other regulatory body or any applicable law or regulation.

Expropriation ALA Reduction Amount means, in relation to an Expropriation, the product of:

- (i) the Allocated Loan Amount for that Property prior to that Expropriation divided by the value of that Property before the Expropriation (as shown in the valuation commissioned in respect of that Property to show the value before and after such Expropriation (the **Expropriation Valuation**)); and

- (ii) the reduction in the value of that Property as a result of such Expropriation (calculated by deducting the value of that Property following such Expropriation from the value of that Property before the Expropriation (in each case, as shown in the Expropriation Valuation) or as otherwise agreed between Senior PledgeCo and the Senior Facility Agent (each acting reasonably)).

Expropriation Proceeds means the Disposal Proceeds received by any Senior Obligor pursuant to any Expropriation except for the amount of Disposal Proceeds received by any Obligor pursuant to any Expropriation which are in excess of either: (a) if the whole of a Property is the subject of that Expropriation, the Senior Release Price for the Property the subject of that Expropriation; and/or (b) if part of a Property is the subject of that Expropriation, an amount equal to 115 per cent. of the Expropriation ALA Reduction Amount.

Financial Quarter means each financial quarter of the Senior Group being each three month period expiring on 31 March, 30 June, 30 September and 31 December in each year.

Financial Quarter Date means the last day of each Financial Quarter.

Insolvency Event means, in relation to a Senior Finance Party, that the Senior Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) (on or after the date on which it becomes a Senior Finance Party but not, for the avoidance of doubt, at any time prior to it becoming a Senior Finance Party unless at the time it becomes a Senior Finance Party, the circumstances set out in this paragraph would continue to be in effect) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;

- (g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or
- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Insurance Proceeds means the proceeds of any insurance claim received by any member of the Senior Group except for Excluded Insurance Proceeds and after deducting any reasonable fees, costs and expenses in relation to that claim which are incurred by any member of the Senior Group to persons who are not members of the Senior Group (other than any Investor Affiliate).

Interpolated Screen Rate means, in relation to any Senior Loan or Senior Loan Unpaid Sum, the rate (rounded to the same number of decimal places as the two relevant Senior Loan Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Senior Loan Screen Rate for the longest period (for which that Senior Loan Screen Rate is available) which is less than the Senior Loan Interest Period of that Senior Loan or Senior Loan Unpaid Sum; and
- (b) the applicable Senior Loan Screen Rate for the shortest period (for which that Senior Loan Screen Rate is available) which exceeds the Senior Loan Interest Period of that Senior Loan or Unpaid Sum,

each as of 11.00 a.m. Brussels time (in respect of Loan EURIBOR) or 11.00 a.m. (in respect of Loan LIBOR) on the Quotation Day for that Senior Loan or Senior Loan Unpaid Sum.

Investor Affiliate means an Investor, each of its Affiliates, any trust of which an Investor or any of its Affiliates is a trustee, any partnership of which an Investor or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, an Investor or any of its Affiliates provided that any trust, fund or other entity which has been established for at least six months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by an Investor which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute an Investor Affiliate.\

Investor means any fund and/or other entity managed, advised, owned and/or controlled by The Blackstone Group L.P. and/or any of its Affiliates.

Loan EURIBOR means in relation to the Senior EUR Loan or Senior Loan Unpaid Sum on which interest for a given period is to accrue:

- (a) the applicable Senior Loan Screen Rate;
- (b) if no Senior Loan Screen Rate for euro is available for the Senior Loan Interest Period of that Senior EUR Loan or Senior Loan Unpaid Sum, the Interpolated Screen Rate for that Senior EUR Loan; or
- (c) if no Senior Loan Screen Rate for euro is available for the Senior Loan Interest Period of that Senior EUR Loan or Senior Loan Unpaid Sum and it is not possible to calculate an Interpolated Screen Rate for that Senior EUR Loan or Senior Loan Unpaid Sum, the Loan Reference Bank Rate for euro for that Senior Loan Interest Period,

as of, in the case of paragraphs (a) and (c) above, 11.00am on the Quotation Day for Senior EUR Loan or Senior Loan Unpaid Sum for a period equal to the Senior Loan Interest Period of that Senior EUR Loan or Senior Loan Unpaid Sum and, if any such rate is below zero, Loan EURIBOR will be deemed to be zero.

Loan LIBOR means in relation to any Senior GBP Loan or Senior Loan Unpaid Sum on which interest for a given period is to accrue:

- (a) the applicable Senior Loan Screen Rate;
- (b) if no Senior Loan Screen Rate for sterling is available for the Senior Loan Interest Period of that Senior GBP Loan or Senior Loan Unpaid Sum, the Interpolated Screen Rate for that Senior GBP Loan; or
- (c) if no Senior Loan Screen Rate is available for the Senior Loan Interest Period of that Senior GBP Loan or Senior Loan Unpaid Sum and it is not possible to calculate an Interpolated Screen Rate for that Senior GBP Loan or Senior Loan Unpaid Sum, the Loan Reference Bank Rate for sterling for that Senior Loan Interest Period,

as of, in the case of paragraphs (a) and (c) above, 11.00am on the Quotation Day for that Senior GBP Loan or Senior Loan Unpaid Sum for a period equal to the Senior Loan Interest Period of that Senior GBP Loan or Senior Loan Unpaid Sum and, if any such rate is below zero, Loan LIBOR will be deemed to be zero.

Loan Reference Bank Rate means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Senior Facility Agent at its request by the Reference Banks:

- (a) in relation to Loan LIBOR, as the rate at which the relevant Reference Bank could borrow funds in the London Interbank Market; or
- (b) in relation to Loan EURIBOR, as the rate at which the relevant Reference Bank could borrow funds in the European Interbank Market.

Senior Loan Screen Rate means:

- (a) in relation to Loan LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and 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 provided that if such page or service ceases to be available, the Senior Facility Agent may specify another page or service displaying the relevant rate after consultation with the Issuer; and

- (b) in relation to Loan EURIBOR, the euro interbank offered rate administered by the Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period, displayed on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service provider which publishes that rate from time to time in place of Reuters provided that if such page or service ceases to be available, the Senior Facility Agent may specify another page or service displaying the relevant rate after consultation with the Issuer.

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).

Majority Senior Lenders means: (a) the Issuer; or (b) if at any time the Issuer's participation in the Senior Loans is in aggregate less than 66⅔ per cent. of all the Senior Loans, a Senior Lender or Senior Lenders whose participations in the Senior Loans then outstanding aggregate more than 66⅔ per cent. of all the Senior Loans then outstanding.

Material Adverse Effect means a material adverse effect on:

- (a) the consolidated business, assets or financial condition of the Senior Obligors taken as a whole;
- (b) the ability of the Senior Obligors taken as a whole to perform their payment obligations under the Senior Finance Documents; or
- (c) subject to the Senior Loan Legal Reservations and the Perfection Requirements, the validity or enforceability of the Transaction Security.

Mezzanine Enforcement Acquisition means the disposal of:

- (a) upon the taking of Mezzanine Enforcement Action by a Mezzanine Creditor under the relevant Mezzanine Security granted by the Mezzanine Borrower, all (and not some) of:
- (i) the issued shares in Senior PledgeCo; and
- (ii) the Mezzanine Borrower's rights and interests in and under any Mezzanine Borrower Intercompany Loan agreement; or
- (b) upon the taking of Mezzanine Enforcement Action by a Mezzanine Creditor under the relevant Mezzanine Security granted by Mezzanine Holdco, all (and not some) of:
- (i) the issued shares in the Mezzanine Borrower; and
- (ii) Mezzanine Holdco's rights and interests in and under any Mezzanine Holdco Intercompany Loan agreement.

Permitted Distributions means:

- (a) any distribution of cash:
- (i) made by any member of the Senior Group to another member of the Senior Group; or
- (ii) made by Senior PledgeCo to a person that is not a member of the Senior Group,

provided that such distribution:

- (A) may only be made out of monies standing to the credit of any General Account (other than any monies standing to the credit of any General Account which have been transferred to a General Account for any purpose expressly specified in the Senior Facility Agreement); and
 - (B) is made at a time when no Potential Senior Loan Event of Default is continuing or would occur immediately as a result of the distribution (unless such Potential Senior Loan Event of Default would be remedied as a result of such distribution); and
- (b) any distribution other than of cash (but not by transfer or disposal of a Control Account, any part of the Property, any of the rights to receive income or any shares which have been issued prior to the date of the distribution) made by any member of the Senior Group to another member of the Senior Group or by Senior PledgeCo to a person that is not a member of the Senior Group provided that such distribution is:
- (i) made at a time when no Potential Senior Loan Event of Default is continuing or would occur immediately as a result of the distribution (unless such Potential Senior Loan Event of Default would be remedied as a result of such distribution); and
 - (ii) either:
 - (A) other than to the extent paragraph (B) below is complied with, made or discharged by an issuance of shares permitted pursuant to the Senior Facility Agreement, an increase in share premium or other equivalent arrangement; or
 - (B) left outstanding and the amount outstanding in respect of that distribution owed to any such Holding Company or person constitutes Financial Indebtedness incurred by a member of the Senior Group under a Subordinated Loan or Investor Debt; and
- (c) any distribution made out of the proceeds of any Senior Loan.

Permitted Property Disposal Prepayment Proceeds means, in respect of a Permitted Property Disposal:

- (a) 115% of the Senior Allocated Loan Amount for the related Property (the **Senior Release Price**); or
- (b) if a Cash Trap Event occurred on the most recent Senior Loan Interest Payment Date, the Senior Release Price plus the lower of (i) the amount of any excess of the Disposal Proceeds above the sum of the Senior Release Price and the Mezzanine Permitted Property Disposal Prepayment Proceeds, and (ii) the amount which, had it been applied in prepayment of Loans on the Financial Quarter Date immediately prior to that Senior Loan Interest Payment Date, would have ensured that no Cash Trap Event occurred,

and, in each case any amounts due of accrued and unpaid interest, Break Costs and Senior Loan Prepayment Fees.

Permitted Property Disposal means a disposal of any Property (other than an ancillary property set out in the Senior Facility Agreement) (or of the shares in the Senior Obligor which owns that Property) provided that:

- (a) on completion of such disposal an amount not less than the Permitted Property Disposal Prepayment Proceeds in respect of that Property is paid into the Senior Prepayment Account (such payment being funded from the Disposal Proceeds in respect of that disposal and/or

proceeds of Equity Contribution(s) and/or Subordinated Loans and/or monies standing to the credit of a General Account);

- (b) on completion of such disposal an amount not less than the Mezzanine Permitted Property Disposal Prepayment Proceeds in respect of that Property is paid into the mezzanine prepayment account (such payment being funded from the Disposal Proceeds in respect of that disposal and/or proceeds of Equity Contribution(s) and/or Subordinated Loans and/or monies standing to the credit of a General Account);
- (c) on the date such disposal is contracted, no Senior Loan Event of Default is continuing (or, if a Senior Loan Event of Default is continuing, it would be remedied as a result of the completion of that disposal) or would result from completion of that disposal; and
- (d) such disposal is made on arms' length terms.

Recovery Proceeds means the proceeds of a claim (a **Recovery Claim**) against the provider of any Report (in its capacity as a provider of that Report) or against any counterparty to a construction contract or collateral warranty (in its capacity as counterparty to that construction contract or collateral warranty (as applicable)) with, or benefitting, a Senior Obligor except for Excluded Recovery Proceeds, and after deducting:

- (a) any reasonable fees, costs and expenses which are incurred by any member of the Senior Group to persons who are not members of the Senior Group (other than any Investor Affiliate); and
- (b) any Loan Tax incurred and required to be paid by a member of the Senior Group (on the basis of existing rates and taking into account any available credit, deduction or allowance),

in each case in relation to that Recovery Claim. **GBP Recovery Proceeds** are Recovery Proceeds with respect to the UK Properties and other Recovery Proceeds allocated to the Senior GBP Loan and **EUR Recover Proceeds** are Recovery Proceeds with respect to the Dutch Property and other Recovery Proceeds allocated to the Senior EUR Loan.

Senior Finance Documents means:

- (a) the Senior Facility Agreement;
- (b) the Intercreditor Agreement and any accession agreement to the Intercreditor Agreement;
- (c) each fee letter delivered pursuant to the Senior Facility Agreement;
- (d) each Bank Direct Agreement;
- (e) each Transfer Certificate and each novation letter under the Senior Facility Agreement;
- (f) each assignment agreement substantially in the form set out in the Senior Facility Agreement;
- (g) each utilisation request under the Senior Facility Agreement;
- (h) any extension option notice;
- (i) each Transaction Security Document; and
- (j) any other document designated as a "Finance Document" by the Senior Facility Agent and Senior PledgeCo.

Senior Loan Unpaid Sum means any sum due and payable but unpaid by a Senior Obligor under the Senior Finance Documents.

Senior Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by an Senior Obligor or by some other person) of each Senior Obligor to the Senior Finance Parties (or any of them) under each of the Senior Finance Documents.

Subordinated Loan mean means any Financial Indebtedness owed by a member of the Senior Group to another member of the Senior Group or to the Mezzanine Borrower which has been subordinated to the Senior Secured Liabilities under the terms of the Intercreditor Agreement and the rights of the creditor in respect of such Financial Indebtedness are the subject of Transaction Security.

Payment of interest

Under the Senior Facility Agreement, the Senior Borrowers must pay accrued interest on the Senior Loans made to them on each Senior Loan Interest Payment Date.

The rate of interest on each Senior Loan for each Senior Loan Interest Period is the percentage rate per annum which is the aggregate of (i) in case of the Senior GBP Loan, the Senior GBP Loan Margin and Loan LIBOR and (ii) in the case of the Senior EUR Loan, the Senior EUR Loan Margin and Loan EURIBOR.

Default interest will apply on any unpaid sums which a Senior Obligor fails to pay from the due date up to the date of actual payment in accordance with the Senior Facility Agreement at a rate of 1 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 Senior Loan. Any default interest accruing is immediately payable by the relevant Senior Obligor on demand by the Senior Facility Agent. Unpaid default interest arising on an unpaid sum will be compounded with the unpaid sum at the end of each Senior Loan Interest Period applicable to that unpaid sum but will remain immediately due and payable.

Repayment and extension

The Senior Borrowers must repay the Senior Loans in full on the Final Senior Loan Repayment Date.

Senior PledgeCo may exercise the option twice to the extend the Final Senior Loan Repayment Date by one year by delivering to the Senior Facility Agent an irrevocable notice not less than 30 days and not more than 90 days prior to the then Final Senior Loan Repayment Date. Such extension will take effect subject to certain conditions being satisfied including (i) no Senior Loan Event of Default or Potential Senior Loan Event of Default continuing or resulting from the extension, (ii) hedging arrangements being in place for the further period of one year for an aggregate notional amount of not less than the outstanding principal amount of the Senior Loans and with a strike rate which is not more than 3 per cent. per annum and (iii) the extension of the Final Mezzanine Loan Repayment Date to a date not earlier than the First Extended Senior Loan Maturity Date or the Second Extended Senior Loan Maturity Date (as applicable).

Prepayments

Mandatory prepayment – illegality

If at any time it becomes unlawful in any applicable jurisdiction for a Senior Lender, including the Issuer, to perform any of its obligations contemplated by the Senior Facility Agreement or to make, fund or maintain its participation in any Senior Loan, that Senior Lender must promptly notify the Senior Facility Agent upon becoming aware of that event and the Senior Facility Agent must notify Senior PledgeCo in writing, and on such date as that Senior Lender has specified in the notice

delivered to Senior PledgeCo (being no earlier than the last Business Day allowed by the relevant law (taking into account any applicable grace period)), the commitments of that Senior Lender under the Senior Facility Agreement shall be cancelled and reduced to the extent required by the relevant law and the Senior Borrowers shall repay the participation to that Senior Lender together with accrued interest thereon and all other amounts owing to that Senior Lender under the Senior Finance Documents, in each case to the extent required by the relevant law.

Mandatory prepayment – change of control

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

- (a) following the enforcement of the Mezzanine Transaction Security, any fund and/or other entity managed, advised, owned and/or controlled by The Blackstone Group L.P. and or any of its Affiliates (the **Investors**) cease to control (directly or indirectly) Senior PledgeCo; provided that a Mezzanine Enforcement Action will not trigger a change of control for this purpose if:
 - (i) more than 50 per cent. of the issued share capital of the Mezzanine Borrower or Senior PledgeCo, as applicable, is owned by (a **Mezzanine Approved Person**):
 - (A) any Original Mezzanine Lender or any Affiliate of any Original Mezzanine Lender; or
 - (B) any original investor in the Mezzanine Repackaging or (A) any Affiliate of that original investor which is wholly-owned by it (a **Wholly-owned Affiliate**), or (B) any related fund of that original investor, provided that the relevant original investor or (if applicable) its Wholly-owned Affiliate or Related Fund:
 - (1) is not a Prohibited Person under (and as defined in) any Hotel Management Agreement (in its original form) in respect of any Property (and, for these purposes, the Senior Obligors and the Mezzanine Obligors undertake not to amend or agree to amend the definition of the Prohibited Person in any Hotel Management Agreement); and
 - (2) has been identified in writing to the Senior Facility Agent prior to the date of the relevant Mezzanine Enforcement Acquisition.
 - (ii) prior to completion of the Mezzanine Enforcement Acquisition, the relevant acquisition party has complied with the know your customer requirements of the Senior Finance Parties
 - (iii) any Curable Default is remedied on the completion of the Mezzanine Enforcement Acquisition;
 - (iv) any other Senior Loan Event of Default capable of remedy is remedied on or before the date falling 30 days after the completion of the Mezzanine Enforcement Acquisition; and
 - (v) the acquiring party accedes to the Intercreditor Agreement as the Mezzanine Borrower prior to the completion of the Mezzanine Enforcement Acquisition if they are enforcing over the shares of Senior PledgeCo and the rights and interest under the Mezzanine Borrower Intercompany Loan agreement, or

- (b) other than a result of a Permitted Property Disposal, Senior PledgeCo ceases to control any Senior Obligor (other than Senior PledgeCo).

Senior PledgeCo must promptly notify the Senior Facility Agent upon becoming aware of any change of control and following the change of control the Senior Facility Agent, if the Majority Senior Lenders so require, must by notice to Senior PledgeCo:

- (c) cancel all commitments under the Senior Facility Agreement; and
- (d) declare all outstanding Senior Loans, together with accrued interest and all other accrued unpaid amounts under the Senior Finance Documents to be immediately due and payable.

See “*Description of the Intercreditor Agreement—Enforcement of Mezzanine Only Security/Change of Control*” for further information.

Mandatory prepayment

The Senior Facility Agreement also provides that the Senior Obligors must apply the following amounts in prepayment of the Senior Loans at the time and in the order of application as set out below:

- (a) Permitted Property Disposal Prepayment Proceeds;
- (b) Expropriation Proceeds;
- (c) Insurance Proceeds, excluding business interruption and amounts to be applied in repair or reinstatement;
- (d) Recovery Proceeds;

All prepayments in respect of Permitted Property Disposal Prepayment Proceeds, Expropriation Proceeds, Insurance Proceeds or Recovery Proceeds must be made, at the option of the Senior Obligors, either (i) on the next Senior Loan Interest Payment Date, or (ii) on an earlier date if Senior PledgeCo so elects by notice in writing to the Senior Facility Agent no less than 5 Business Days prior to the proposed prepayment date. Any amount so applied in prepayment which is attributable to a particular Property will be applied first (A) in an amount equal to 100 per cent. of the Senior Allocated Loan Amount for the relevant Property against the Senior Loan made to the Senior Borrower that owns the Property and thereafter (B) in an amount equal to the Senior ALA Excess against the Senior Loans on a *pro rata* basis. Any amount of Recovery Proceeds so applied in prepayment which are not attributable to a particular Property will be applied against the Senior Loans on a *pro rata* basis.

On the date on which any Senior Loan is, in whole or in part, repaid or prepaid in accordance with the Senior Facility Agreement by a Senior Borrower the Senior Allocated Loan Amount for each Property held by that Senior Borrower shall be reduced: (i) in the case of a repayment or a prepayment made other than as a consequence of a Permitted Property Disposal, by a pro-rated proportion of the principal amount of the Senior Loans made to that Senior Borrower so repaid or prepaid and (ii) in the case of a prepayment made as a consequence of a Permitted Property Disposal, by a pro-rated proportion of the share of the Senior ALA Excess applied in prepayment of that Senior Loan.

Senior ALA Excess means in relation to a disposal of a Property and on any date, an amount equal to the Permitted Property Disposal Prepayment Proceeds under paragraph (a) of that definition in respect of that disposal minus the Senior Allocated Loan Amount of that Property on that date.

Voluntary prepayment

If Senior PledgeCo (acting on behalf of a Senior Borrower) gives the Senior Facility Agent not less than five Business Days' prior notice, a Senior Borrower may prepay the whole or any part of the Senior Loan (but, if in part, subject to minimum repayment of £1,000,000 and integral multiples of £500,000 in respect of the Senior GBP Loan or €1,000,000 and integral multiples of €500,000 in respect of the Senior EUR Loan) (or the outstanding amount of the Senior GBP Loan or Senior EUR Loan, as applicable).

Subject to the information set out under "*Bank Account—Account Segregation Notice*" below, any voluntary prepayment (other than from an Equity Cure Account or Cash Trap Account) must be applied against the Senior Loans on a *pro rata* basis.

Where such prepayment is being made from Senior PledgeCo's Equity Cure Account or Cash Trap Account, against the Senior GBP Loans (on a *pro rata* basis as between those Senior Loans), and where such prepayment is being made from the Dutch Obligor's Equity Cure Account or the Dutch Obligor's Cash Trap Account, against the Senior EUR Loan.

Right of repayment and cancellation in relation to a single lender

If:

- (a) a sum payable to any Senior Lender, including the Issuer, by a Senior Obligor is required to be increased under the tax gross up provisions of the Senior Facility Agreement; or
- (b) any Senior Lender, including the Issuer, claims indemnification from any Senior Obligor under the tax indemnity or increased costs provisions of the Senior Facility Agreement; or
- (c) any Senior Obligor becomes obligated to pay any amount to any Senior Lender, including the Issuer, due to illegality as described above under the heading "*Mandatory prepayment-illegality*"; or
- (d) any Senior Lender, including the Issuer, has rescinded or repudiated a Senior Finance Document; or
- (e) an Insolvency Event has occurred with respect to any Senior Lender, including the Issuer,

Senior PledgeCo may, by giving 5 Business Days' notice to the Senior Facility Agent, replace that Senior Lender, by requiring it to transfer all of its rights and obligations under the Senior Facility Agreement to another Senior Lender or another entity approved by the Majority Senior Lenders and/or prepay that Senior Lender. Neither the Senior Facility Agent nor the Common Security Agent may be replaced or prepaid without the consent of the Majority Senior Lenders and in no event shall a Senior Lender which is replaced be required to pay or surrender to the replacement Senior Lender any of the fees received by it pursuant to the Senior Finance Documents.

Amount of prepayments

Any repayment or prepayment is subject to payment of accrued but unpaid interest, any applicable Break Costs, any applicable Senior Loan Prepayment Fees (if any) and payment of any other Senior Lender Liabilities which become due and payable as a result of the prepayment or repayment.

Effect of prepayments on a Senior Loan

No Senior Borrower may re-borrow all or any part of the Senior Facility which is prepaid and no amount of the total commitments cancelled under the Senior Facility Agreement may be subsequently reinstated.

Fees and Senior Loan Prepayment Fees

(a) *Senior Facility Agent's fee and the Common Security Agent's fee*

Senior PledgeCo shall pay (or procure is paid) to the Senior Facility Agent (for its own account and for the account of the Common Security Agent) an agency fee in the amount and in the manner agreed with the Senior Facility Agent.

(b) *Senior Loan Prepayment Fees*

In the event of a prepayment at any time prior to 17 December 2015, prepayment fees (**Senior Loan Prepayment Fees**) are payable to the Senior Facility Agent by Senior PledgeCo (or procured to be paid) in an amount equal to the higher of:

- (i) 100 per cent. of the amount of the interest (excluding Loan LIBOR or Loan EURIBOR (as applicable)) which would, had no prepayment taken place, have accrued on the amount of the Senior Loan so prepaid from the date of such prepayment until the date falling 12 months after the Utilisation Date; and
- (ii) 1.00 per cent. of the principal amount repaid.

Senior Loan Prepayment Fees are due under the Senior Facility Agreement for certain types of prepayments, including voluntary prepayment, voluntary cancellation, change of control and upon receipt of Permitted Property Disposal Prepayment Proceeds. Senior Loan Prepayment Fees are not due under the Senior Facility Agreement for prepayments due to illegality or at any time from 12 months after the Utilisation Date.

Tax gross up and indemnities

Subject to certain conditions, if a Tax Deduction is required by law to be made by a Senior Obligor, the amount of the payment due from such Senior 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 Senior Facility Agreement, the Senior Obligors must pay to a Senior Finance Party an amount equal to the loss, liability, or cost which that Senior Finance Party determines will be or has been (directly or indirectly) suffered for or on account of Loan Tax by it in respect of a payment received or receivable (or any payment deemed to be received or receivable) under a Senior Finance Document. In certain circumstances amounts will also be payable by the Senior Obligors in respect of stamp taxes and VAT.

Each party to the Senior Facility Agreement may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no party to the Senior 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.

FATCA Deduction means a deduction or withholding from a payment under a Senior Finance Document required by FATCA.

Tax Deduction means a deduction or withholding for or on account of Loan Tax from a payment under a Senior Finance Document other than a FATCA Deduction.

Bank accounts

Designation of Control Accounts

Each Senior Obligor has opened and is required to maintain:

- (a) an account designated the General Account (each a **General Account**); and
- (b) an account designated the Collection Account (each a **Collection Account**).

Each Senior Borrower has opened and is required to maintain in relation to each Property which it owns:

- (a) an account designated the Operating Account;
- (b) an account designated the FF&E Account; and
- (c) an account designated the Seasonality Reserve Account (each a **Seasonality Reserve Account**).

Each of Senior PledgeCo and Carolia Amsterdam Hotel B.V. (which is a Senior Borrower) has opened and is required to maintain:

- (a) an account designated the Cash Trap Account (each a **Cash Trap Account**);
- (b) an account designated the Senior Prepayment Account (each a **Senior Prepayment Account**); and
- (c) in relation to each Property an account designated the Equity Cure Account (each an **Equity Cure Account**).

No Senior Obligor may, without the prior consent of the Majority Senior Lenders, maintain any other bank account.

Control Accounts means each Equity Cure Account and each General Account, each Collection Account, each Operating Account, each FF&E Account, each Seasonality Reserve Account, each Cash Trap Account, each Senior Prepayment Account listed in the Senior Facility Agreement.

Borrower Account Bank

Each Control Account must be held with, in respect of each Control Account located in the United Kingdom, Citibank London and the Royal Bank of Scotland PLC, and, in respect of each Control Account located in The Netherlands, Citibank Netherlands and ING Bank Netherlands N.V. (each, a **Borrower Account Bank**).

Operating Accounts

The relevant Hotel Manager has signing rights to each Operating Account.

Each Senior Borrower will ensure that all its income and revenue (including VAT payments) derived from a Property is paid directly into its Operating Account for that Property.

Each Senior Borrower shall ensure that each month there is paid from the Operating Account to the FF&E Account for its Property, an amount equal to the accrual for FF&E to be applied for the previous month in accordance with the terms of the relevant Hotel Management Agreement.

Each Senior Borrower shall ensure that each instalment of the Owner's Return is paid into its General Account each month in accordance with the relevant Hotel Management Agreement, after deducting (without double counting) the FF&E Reserve Deduction and any retention for working capital and any other operating expenses and deductions that the relevant Hotel Manager makes in accordance with the terms of the relevant Hotel Management Agreement.

General Accounts

Each Senior Obligor shall have sole signing rights to the account designated as its General Account (each, a **General Account**).

Provided no Senior Loan Event of Default is continuing and subject to the required transfers described below, a Senior Obligor may make withdrawals from its General Account at any time, to be applied in or towards any purpose in compliance with the Senior Finance Documents (including, for the avoidance of doubt, for the making of Permitted Distributions).

Within three Business Days of a payment into a General Account from an Operating Account of an instalment of Owner's Return, each Senior Borrower must ensure that an amount equal to the aggregate of:

- (a) not less than one third of the aggregate amount of all interest and its share of facility agent fees that will be payable by it under the Senior Facility Agreement or the Mezzanine Facility Agreement on the first Senior Loan Interest Payment Date or first Senior Loan Interest Payment Date (as applicable); and
- (b) any remaining amounts in its General Account, after deducting (without double counting) amounts constituting VAT and an amount such that the balance of the Additional Senior Borrowers' General Accounts denominated in GBP are in an aggregate amount of not less than £2,500,000 and the balance of the Dutch Obligor's General Account (excluding any amounts constituting VAT) denominated in EUR are in aggregate amount of not less than €500,000,

is transferred from its General Account to its Collection Account.

VAT means (a) any tax imposed in compliance with 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.

Collection Accounts

The Senior Facility Agent shall have sole signing rights to the Collection Accounts.

On each Senior Loan Interest Payment Date, the Senior Facility Agent shall (and is irrevocably authorised by each Senior Obligor to) withdraw from the Collection Accounts such amount as is necessary for application in or towards:

- (i) *first*, payment *pro rata* of any unpaid costs, fees and expenses then due and payable to the Common Security Agent (including any due to any receiver or delegate), the Senior Facility Agent and the Mandated Lead Arranger under the Senior Finance Documents;
- (ii) *secondly*, payment *pro rata* of any unpaid costs, fees and expenses then due and payable to the other Senior Finance Parties under the Senior Finance Documents;
- (iii) *thirdly*, in or towards payment *pro rata* of all accrued interest then due and payable to the Senior Lenders under the Senior Finance Documents;
- (iv) *fourthly*, in payment of the Preferred Mezzanine Interest that is or will become due and payable to the Mezzanine Finance Parties under the Mezzanine Facility Agreement on the next Senior Loan Interest Payment Date into the Mezzanine Finance Account opened by the Mezzanine Borrower pursuant to the Mezzanine Facility Agreement (the **Mezzanine Finance Account**);
- (v) *fifthly*, if no Payment Stop Notice is outstanding, in payment of the aggregate of the amount of any unpaid costs, fees and expenses then due and payable to the Mezzanine Finance Parties under the Mezzanine Finance Documents and all interest (less any amount already transferred to the Mezzanine Finance Account under paragraph (iv) above that is or will become due and payable to the Mezzanine Finance Parties under the Mezzanine Facility Agreement on the next Senior Loan Interest Payment Date into the Mezzanine Finance Account;
- (vi) *sixthly*, only if a Seasonality Reserve Event occurred, on any Senior Loan Interest Payment Date falling in November or February, the lower of (A) the aggregate balance of the Collection Account, after satisfaction of the items set out in paragraphs (i) to (v) above; and (B) any amounts required in order for the balance of the Seasonality Reserve Account to be equal to or greater than the Required Seasonality Reserve Amount, shall be paid into the Seasonality Reserve Account;
- (vii) *seventhly*, only if a Cash Trap Event has occurred on that Senior Loan Interest Payment Date, an aggregate amount equal to the lower of (A) any surplus and (B) Excess Cash, shall be paid into the Cash Trap Accounts (each, a **Cash Trap Amount**), amounts from the Collection Accounts maintained by Additional Senior Borrowers being paid into Senior PledgeCo's Cash Trap Account and amounts from the Collection Account maintained by the Dutch Obligor being paid into the Dutch Obligor's Cash Trap Account; and
- (viii) *eighthly*, any surplus shall be paid into the General Accounts.

To the extent that, on a Senior Loan Interest Payment Date on which a Cash Trap Event occurs, the aggregate amount available for transfer to the Cash Trap Accounts pursuant to paragraph (vii) above is less than Excess Cash, Senior PledgeCo is obliged to top-up the amount transferred to equal the amount of Excess Cash.

To the extent that, on a Senior Loan Interest Payment Date on which a Cash Trap Event occurs:

- (i) the sterling amount available for transfer to Senior PledgeCo's Cash Trap Account is less than the GBP amount of Excess Cash, Senior PledgeCo is obliged to top-up the amount transferred to equal the GBP amount of Excess Cash; and
- (ii) the euro amount available for transfer to the Dutch Obligor's Cash Trap Account, Senior PledgeCo is obliged to top-up the amount transferred to equal the EUR amount of Excess Cash.

Excess Cash means, on any Senior Loan Interest Payment Date:

- (a) the aggregate of:
 - (i) Net Operating Income received in the Financial Quarter ending immediately prior to that Senior Loan Interest Payment Date; and
 - (ii) any amounts transferred to the Collection Accounts from the Seasonality Reserve Accounts on that Senior Loan Interest Payment Date;minus
- (b) the aggregate of:
 - (i) all amounts due under the Senior Finance Documents, including interest, fees, repayments and voluntary prepayments pursuant to the Senior Facility Agreement (excluding any prepayments of Excess Cash and any mandatory prepayments) in the Senior Loan Interest Period ending on that Senior Loan Interest Payment Date;
 - (ii) the aggregate of the amount of any unpaid costs, fees and expenses then due and payable to the Mezzanine Finance Parties under the Mezzanine Finance Documents and all interest that is or will become due and payable to the Mezzanine Finance Parties under the Mezzanine Facility Agreement on the next Mezzanine Loan Interest Payment Date;
 - (iii) any amounts transferred to the Seasonality Reserve Accounts on that Senior Loan Interest Payment Date;
 - (iv) corporate expenses (subject to a limit of £1,500,000 (or its currency equivalent) per annum in any financial year), management fees (other than management fees due under any Hotel Management Agreement) (subject to a limit of £600,000 (or its currency equivalent) per annum in any financial year), capital expenditure (other than FF&E) (subject to a limit of £3,000,000 (or its currency equivalent) per annum in any financial year or, if the total commitments under the Senior Facility Agreement at any time are less than £250,000,000, £1,500,000 (or its currency equivalent)) and taxes (excluding VAT), in each case, paid during the Financial Quarter ending immediately prior to that Senior Loan Interest Payment Date; and
 - (v) any amount constituting VAT paid or payable during the Financial Quarter ending immediately prior to that Senior Loan Interest Payment Date,

in each case, calculated in GBP for all amounts attributable to entities that are not the Dutch Obligor and calculated in EUR for all amounts attributable to the Dutch Obligor such that any references to Excess Cash in this Prospectus are references to such GBP amount and such EUR amount.

Preferred Mezzanine Interest means interest on each Mezzanine Loan accrued at the rate of 0.195 per cent. per annum.

Required Seasonality Reserve Amount means:

- (a) in respect of the Third Quarterly ICR Test Date, 50 per cent. of the amount that if added to the Trailing 3-Month Net Operating Income would have resulted in a Quarterly ICR for that Senior Loan Interest Payment Date equal to or greater than 1:50.1; and
- (b) in respect of the Fourth Quarterly ICR Test Date, 100 per cent. of the amount that if added to Trailing 3-Month Net Operating Income would have resulted in a Quarterly ICR for that Senior Loan Interest Payment Date being equal to or greater than 1:50.1.

Seasonality Reserve Event means on the Third Quarterly ICR Test Date or the Fourth Quarterly ICR Test Date, the Quarterly ICR is less than 1:50.1.

Third Quarterly ICR Test Date means the Senior Loan Interest Payment Date falling immediately after the third Financial Quarter Date in each calendar year.

Fourth Quarterly ICR Test Date means the Senior Loan Interest Payment Date falling immediately after the fourth Financial Quarter Date in each calendar year.

Trailing 3-Month Net Operating Income means in respect of a Senior Loan Interest Payment Date, the Net Operating Income during the period of three months ending on the Financial Quarter Date falling immediately prior to that Senior Loan Interest Payment Date (provided that the Net Operating Income for any Property that has been subject to a permitted disposal set out in the Senior Facility Agreement shall be excluded).

Senior Prepayment Accounts

The Senior Facility Agent shall have sole signing rights to the Senior Prepayment Accounts.

Provided that no Senior Loan Event of Default is continuing, on each Senior Loan Interest Payment Date and on each date on which a mandatory prepayment is to be made in respect of Property Disposal Prepayment Proceeds, Expropriation Proceeds, Insurance Proceeds and Recovery Proceeds, the Senior Facility Agent shall (and is irrevocably authorised by each Senior Obligor to) withdraw from the Senior Prepayment Account, all amounts standing to the credit of the Senior Prepayment Account, for application in the following order:

- (i) *firstly*, payment *pro rata* of any unpaid costs, fees and expenses due to the Common Security Agent (including any due to any receiver or delegate), the Senior Facility Agent and the Mandated Lead Arranger under the Senior Finance Documents;
- (ii) *secondly*, payment *pro rata* of any unpaid costs, fees and expenses due to the other Senior Finance Parties under the Senior Finance Documents;
- (iii) *thirdly*, in prepayment of the Senior Loans (provided that all amounts of accrued interest, Break Costs and any Senior Loan Prepayment Fees payable in connection with such prepayment shall be payable from the amount withdrawn from the Senior Prepayment Account and deducted from the principal amount prepaid);
- (iv) *fourthly*, in payment of the amount that will become due and payable under the Mezzanine Facility Agreement on the immediately following Mezzanine Loan Interest Payment Date, into the mezzanine prepayment account;

- (v) *fifthly*, in payment of any other present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by a Senior Obligor or by some other person) of each Senior Obligor to the Senior Finance Parties (or any of them) under each of the Senior Finance Documents; and
- (vi) *sixthly*, in payment of any surplus denominated in sterling to Senior PledgeCo's General Account, and in payment of any surplus denominated in euro to the Dutch Obligor's General Account.

Cash Trap Account

The Senior Facility Agent shall have sole signing rights to the Cash Trap Accounts.

Provided that no Senior Loan Event of Default is continuing, a Cash Trap Amount is released from the Cash Trap Account, and transferred by the Senior Facility Agent to Senior PledgeCo's General Account (in the case of sterling) or the Dutch Obligor's General Account (in the case of euro), if on any two consecutive Senior Loan Interest Payment Dates after payment into the Cash Trap Accounts no Cash Trap Event occurs.

A Cash Trap Amount is swept from the Cash Trap Account and applied by the Senior Facility Agent in prepayment of the Senior Loans as if it were a voluntary prepayment, if on any two consecutive Senior Loan Interest Payment Dates after payment of a Cash Trap Amount into the Cash Trap Account, a Cash Trap Event occurs, as if it were a voluntary prepayment.

When determining if a Cash Trap Event has occurred (i) the balance of the Equity Cure Accounts shall be deemed to be zero, and (ii) the balance of the Cash Trap Accounts shall be deemed to exclude the Cash Trap Amount to be released.

Senior PledgeCo may at any time elect that all or any part of any amounts standing to the credit of the Cash Trap Account are applied in prepayment of the Senior Loans as a voluntary prepayment.

Equity Cure Accounts

The Senior Facility Agent and the Dutch Obligor each has sole signing rights to the relevant Equity Cure Account.

Provided that no Senior Loan Event of Default is continuing, if on a Senior Loan Interest Payment Date the Senior Obligors are in compliance with the requirements of the financial covenants, without taking into account the balance on the relevant Equity Cure Account, the Senior Facility Agent must withdraw all amounts standing to the credit of the Senior PledgeCo's Equity Cure Account and transfer such amounts to Senior PledgeCo's General Account, and withdraw all amounts standing to the credit of the Dutch Obligor's Equity Cure Account and transfer such amounts to the Dutch Obligor's General Account.

If on a Senior Loan Interest Payment Date the Senior Obligors are not in compliance with the requirements of the financial covenants, without taking into account the balance on the relevant Equity Cure Account, the Senior Facility Agent must withdraw all amounts standing to the credit of the relevant Equity Cure Account and apply such amounts in prepayment of the Senior Loans, as if it were a voluntary prepayment (provided that all amounts payable in connection with such prepayment shall be payable from the principal amount prepaid).

Senior PledgeCo and the Dutch Obligor, as applicable, may at any time elect that all or part of any amounts standing to the credit of the relevant Equity Cure Account are applied in prepayment of the relevant Senior Loans.

FF&E Accounts

A Senior Borrower (or the Hotel Manager on its behalf) may exercise all rights and powers in respect to its FF&E Account.

A Senior Borrower (or the Hotel Manager on its behalf) may withdraw monies from the FF&E Account for purposes of payment of FF&E.

Seasonality Reserve Accounts

The Senior Facility Agent has sole signing rights to the Seasonality Reserve Account.

If on a Senior Loan Interest Payment Date in November or February a Seasonality Reserve Event has occurred, amounts are transferred to the Seasonality Reserve Account from the Collection Accounts in accordance with the priority of payments set forth above under the heading “—*Collection Accounts*”.

On the Senior Loan Interest Payment Date falling in May of each calendar year, the Senior Facility Agent shall withdraw all amounts standing to the credit of each Senior Borrower’s Seasonality Reserve Account and transfer such amount to that Senior Borrower’s Collection Account for application on that Senior Loan Interest Payment Date in accordance with the priority of payments set forth above under the heading “—*Collection Accounts*”.

Account Segregation Notice

Following the occurrence of a Senior Loan Event of Default relating to non-payment under the Senior Finance Documents, an uncured breach of the Senior LTV Ratio Covenant or the Senior ICR Covenant or certain insolvency events with respect to a Senior Obligor, or following commencement of any enforcement action in accordance with the Intercreditor Agreement, the Senior Facility Agent is entitled to deliver a notice regarding account segregation (an **Account Segregation Notice**). From the date of any such notice, no amounts may be transferred between any account maintained by a Senior Obligor with respect to a UK Property to an account maintained by the Dutch Obligor with respect to the Dutch Property. In addition, following delivery of an Account Segregation Notice (but without prejudice to its respective obligations under its guarantee and indemnity under the Senior Facility Agreement), no Senior Obligor with respect to a UK Property may discharge any Secured Liability of the Dutch Obligor out of an account maintained by the Additional Senior Borrowers and vice versa.

Guarantee and indemnity

Each Senior Guarantor has irrevocably and unconditionally, on a joint and several basis:

- (i) guaranteed to each Senior Finance Party the punctual performance by each other Senior Obligor of all that Senior Obligor’s obligations under the Senior Finance Documents;
- (ii) undertaken that, if any Senior Obligor does not pay any amount when due in connection with a Senior Finance Document it will immediately on demand pay that amount as if it were the principal obligor; and
- (iii) agrees to indemnify each Senior Finance Party if any guaranteed obligation becomes unenforceable, invalid or illegal.

Hedging

Under the terms of the Senior Facility Agreement, the Senior Obligors have entered into hedging arrangements (which comply with the Required Hedging Conditions) which have (i) an aggregate notional amount resulting in the Hedging Notional Requirement being met; and (ii) a combined or composite term expiring no earlier than the Initial Senior Loan Repayment Date.

On or prior to the Initial Senior Loan Repayment Date, the Senior Obligors must ensure that hedging arrangements are in place which have (i) an aggregate notional amount resulting in the Hedging Notional Requirement being met; and (ii) a combined or composite term expiring no earlier than the First Extended Senior Loan Maturity Date.

On or prior to the First Extended Senior Loan Maturity Date, the Senior Obligors must ensure hedging arrangements are in place which have (i) an aggregate notional amount resulting in the Hedging Notional Requirement being met; and (ii) a combined or composite term expiring no earlier than the Second Extended Senior Loan Maturity Date.

See “*Description of the Cap Arrangement*” for further information.

Representations and warranties

The following representations and warranties were given by each Senior Obligor, other than paragraph (j)(v) and paragraph (k)(ii) below (where such representations and warranties are given on the date of the information referred to paragraph (j)(v) and paragraph (k)(ii) below is provided), on each of the date of the Senior Facility Agreement, on the date of the notice (substantially in the form set out in the Senior Facility Agreement) requesting a Senior Loan and the Utilisation Date:

- (a) *Status*: (i) it is a private, limited liability company, duly incorporated or created and validly existing under the law of its jurisdiction of incorporation or formation; and (ii) it has the power to own its assets and carry on its business as it is being conducted;
- (b) *Binding obligations*: subject to the Senior Loan Legal Reservations and the Perfection Requirements, the obligations assumed by it in each Transaction Document to which it is party are legal valid and binding obligations, each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective (the **Transaction Security**), and the Transaction Security has or will have first ranking priority (or subsequent ranking priority insofar as the prior ranking priority Security is conferred under another Transaction Security Document) and is not subject to any prior ranking or *pari passu* ranking Security (other than under another Transaction Security Document) other than Permitted Security.

Senior Loan Legal Reservations means:

- (a) the principle that equitable remedies (or remedies that are similar to equitable remedies in any Relevant Jurisdiction) may be granted or refused at the discretion of a court, the limitation of enforcement by laws relating to insolvency, reorganisation, liquidation, bankruptcy, moratoria, administration, court schemes and other laws generally affecting the rights of creditors and similar principles, rights, defences and limitations under the laws of any applicable jurisdiction;
- (b) the time barring of claims under any applicable limitation laws, the possibility that a court may strike out provisions of a contract as being invalid for reasons of oppression, undue influence or similar reasons, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void, defences of set off or counterclaim and similar principles, rights, defences and limitations under the laws of any applicable jurisdiction; and

- (c) any other general principles, reservations or qualifications, in each case, as to matters of law in any legal opinion delivered under or in connection with the Senior Finance Documents.

Perfection Requirements means: (a) the delivery of all certificates of title to securities which are the subject of Transaction Security to the Common Security Agent, together with signed but otherwise undated transfer forms and notices and acknowledgements duly executed in the form required pursuant to each Transaction Security Document; and (b) the making or the procuring of registrations, filings, endorsements, notarizations, translations, stampings, notifications, acknowledgements and/or acceptances of the Senior Finance Documents (and/or the Security created thereunder) necessary for the validity, enforceability (as against the relevant Senior Obligor as well as any third party) and/or perfection thereof.

Permitted Security means:

- (i) any easement, servitude, burden or other agreement or arrangement having similar effect which is granted in connection with a permitted letting activity, provided that such easement does not confer rights of occupation, does not adversely affect the value, saleability of the relevant Property, is terminated at the end of the term of the lease which is the subject of the permitted letting activity and is in accordance with the relevant Hotel Management Agreement;
- (ii) any easement or other agreement or arrangement having similar effect which exists on the Utilisation Date and is disclosed in a due diligence report provided in connection with the Senior Facility Agreement (each, a **Report**);
- (iii) any Security arising under the Senior Finance Documents;
- (iv) any Security arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any member of the Senior Group provided that it is discharged within 60 days of coming into existence;
- (v) any Security arising by operation of law and in respect of Loan Taxes being contested in good faith or required to be created in favour of any Loan Tax or other government authority in order to appeal or otherwise challenge Loan Tax assessments and/or claims in good faith;
- (vi) any netting or set off arrangement under the Hedge Documents entered into by any Senior Obligor in the ordinary course of its banking arrangements but only so long as (i) such arrangement does not permit credit balances of any Senior Obligor to be netted or set off against debit balances of persons who are not Senior Obligors and (ii) such arrangement does not give rise to Security over the assets of Senior Obligors in support of liabilities of persons who are not Senior Obligors; or
- (vii) any Security arising under any retention of title arrangements, any hire purchase or conditional sale arrangement or arrangements having similar effect in each case, in respect of goods supplied to a Senior Obligor in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by a Senior Obligor provided that such Security is discharged within 60 days of coming into existence; or
- (viii) prior to the Utilisation Date, any Security arising under Clause 24 or Clause 25 of the general terms and conditions (*algemene bankvoorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) or any similar term applied by a financial institution pursuant to its general terms and conditions.

- (c) *Non-conflict*: the entry into, delivery by it of, the exercise or its rights under and the performance of its obligations under the Senior Facility Transaction Documents and the transactions contemplated thereby, and the grant of the Transaction Security do not and will not conflict:
- (A) in any material respect with any law or regulation applicable to it,
 - (B) with its constitutional documents or any agreement or instrument binding upon it; or
 - (C) with any member of the Senior Group's assets or constitute a default or termination event (however described) under any such agreement or instrument in each case to an extent which would have a Material Adverse Effect;

Senior Facility Transaction Documents means (a) each Senior Finance Document; (b) each Mezzanine Finance Document; (c) each Hotel Management Agreement; (d) each Hedge Document; and (e) any other document designated as such by the Senior Facility Agent and Senior PledgeCo.

- (d) *Power and authority*: it has the power, capacity and authority to enter into, deliver, exercise its rights and perform its obligations under the Senior Facility Transaction Documents to which it is or will be a party and transactions contemplated by those Senior Facility Transaction Documents and it has taken all necessary action under its constitutional documents to duly authorise its entry into, the delivery by it of, the exercise of its rights under and the performance of its obligations under the Senior Facility Transaction Documents to which it is or will be a party and the transactions contemplated by those Senior Facility Transaction Documents.
- (e) *Validity and admissibility in evidence*: subject to the Senior Loan Legal Reservations, all authorisations required in its Relevant Jurisdiction:
- (A) to enable it lawfully to enter into, deliver, exercise its rights and perform its obligations in each of the Senior Facility Transaction Documents to which it is or will be a party and the transactions contemplated thereby; and
 - (B) at the time that evidence is required to be submitted to make the Senior Facility Transaction Documents to which it is or will be a party admissible in evidence in its Relevant Jurisdiction and in the courts of any relevant jurisdiction to which the parties to such Transaction Document have submitted,

have been obtained or effected and are in full force and effect other than any Perfection Requirements. All authorisations necessary for the conduct of the business, trade and ordinary activities of all members of the Senior Group have been obtained or effected and are in full force and effect other than to the extent failure to obtain or effect those authorisations would not have a Material Adverse Effect. No Senior Obligor is in breach of any law or regulation in a manner or to an extent which would have a Material Adverse Effect.

Relevant Jurisdiction means, in relation to a Senior Obligor or Subordinated Creditor: (a) its jurisdiction of incorporation or formation; (b) the jurisdiction of its Centre of Main Interests; (c) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated; (d) any jurisdiction where it conducts its business; and (e) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

- (f) *Governing law and enforcement*: subject to the Senior Loan Legal Reservations and Perfection Requirements: (i) the choice of the applicable law as the governing law of each Transaction Document to which it is a party (as set out in each Transaction Document) will be recognised and enforced in its Relevant Jurisdiction; and any judgment obtained in relation to any Transaction Document in the jurisdiction of the governing law of that Transaction Document is recognised and enforced in its Relevant Jurisdiction. Each loan agreement in relation to the Investor Debt between a Senior Borrower as lender and Senior PledgeCo as borrower, and each loan agreement in relation to Subordinated Loans between members of the Senior Group, is governed by English law.
- (g) *Deduction of Tax*: it is not required to make any Tax Deduction (other than any Tax Deduction that is required to be made pursuant to the Savings Directive (or any law or regulation implementing the Savings Directive)) from any payment it may make under any Senior Finance Document to a Senior Lender which is a UK Qualifying Lender.

A UK Qualifying Lender means:

- (i) a Senior Lender which is beneficially entitled to interest payable to that Senior Lender in respect of an advance under a Senior Finance Document and is:
- (A) a Senior Lender:
- (1) which is a bank (as defined for the purpose of section 879 of the United Kingdom Income Tax Act 2007 (the **ITA**) making an advance under a Senior Finance Document and is within the charge to UK 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 Corporation Tax Act 2009 (the **CTA**); or
 - (2) in respect of an advance made under a Senior 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 which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or
- (B) a Senior Lender which is:
- (1) a company resident in the United Kingdom for United Kingdom tax purposes;
 - (2) a partnership each member of which is:
 - (a) a company so resident in the United Kingdom; or
 - (b) 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; or

- (3) 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;
- (ii) a Senior Lender which is a building society (as defined for the purpose of section 880 of the ITA) making an advance under a Senior Finance Document; or
- (iii) a UK Treaty Lender which is a Senior Lender which:
 - (a) is:
 - (A) resident for Loan Tax purposes in a country which has a double taxation treaty in force with the United Kingdom which makes provision for full exemption from Loan Tax imposed by the United Kingdom on the interest payments; and
 - (B) entitled to the benefit of such double taxation treaty and consequently such full exemption from Loan Tax (subject to the completion of any necessary procedural formalities), (except that for this purpose it shall be assumed that any condition which relates expressly or by implication) to there being (or not being) a special relationship between any Senior Obligor and a Senior Lender is satisfied); and
 - (b) does:
 - (A) not carry on business in the United Kingdom through a permanent establishment; and
 - (B) not act from an office or offices in the United Kingdom notified by a Senior Lender to the Senior Facility Agent in writing on or before the date it becomes a Senior Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under the Senior Facility Agreement in the United Kingdom,

in each case, with which that Senior Lender's participation in the Senior Loans is effectively connected.

- (h) *No filing or stamp taxes*: under the laws of its Relevant Jurisdiction(s) it is not necessary that the Senior Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar taxes or fees be paid on or in relation to the Senior Finance Documents or the transactions contemplated by the Senior Finance Documents other than in connection with any Perfection Requirement;
- (i) *No default*: (a) no Senior Loan Event of Default or Potential Senior Loan Event of Default is continuing on the date of the Senior Facility Agreement or would (as at the date of the Senior Facility Agreement) result from the entry into or the performance of any transaction contemplated by, any of the Senior Facility Transaction Documents; (b) no event or circumstance is outstanding which constitutes a breach of or default under or termination event under any other agreement or instrument which is binding on it or any of its subsidiaries or to which its (or any of its subsidiaries') assets are subject which would have a Material Adverse Effect; and (c) in the case of the Senior Borrower, so far as it is aware (having made

due enquiry appropriate and consistent for entities of a similar nature to the Senior Obligors acting on transactions similar to those contemplated by the Senior Facility Transaction Documents), the Hotel Manager of its Property is not in default under the Hotel Management Agreement or the related Bank Direct Agreement.

(j) *No misleading information:*

- (i) all written material factual information supplied by it or on its behalf to any Senior Finance Party in connection with the Senior Facility Transaction Documents, the Valuer for the purposes of the most recent Valuation, and/or any report provider in connection with the preparation of any Report is, so far as it is aware (having made due enquiry appropriate and consistent for entities of a similar nature to the Senior Obligors acting on transactions similar to those contemplated by the Senior Facility Transaction Documents), true, complete 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 and is not misleading in any material respect;
- (ii) any financial projections contained in the information referred to in paragraph (i) above have been prepared as at their date, on the basis of recent historical information and assumptions believed by it to be fair and reasonable at such time (having made due consideration appropriate and consistent for entities of a similar nature to the Senior Obligors acting on transactions similar to those contemplated by the Senior Facility Transaction Documents) provided that each Senior Finance Party acknowledges that such financial projections are based on assumptions and subject to significant uncertainties and contingencies and no assurance can be given that such projections will be realised;
- (iii) it has not omitted to supply any information which, if disclosed, would make the information referred to in (i) above untrue or misleading in any material respect;
- (iv) nothing has occurred since the date of the provision of the information referred to in paragraph (i) above which renders that information untrue or misleading in any material respect; and
- (v) all written material factual information supplied by it or on its behalf to any Senior Finance Party in connection with the most recent quarterly management report is, so far as it is aware, true, complete 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 and is not misleading in any material respect.

(k) *Financial statements:*

- (i) Carolia Pledgeco Limited's audited consolidated financial statements for the year ended 31 December 2013 have been prepared in accordance with international financial reporting standards or the accounting standards generally accepted in the jurisdiction of incorporation of the Senior Obligor (the **Accounting Principles**); and give a true and fair view of the financial condition of the relevant Senior Obligors as at the end of, and the consolidated results of operational for, the period to which they relate. There have been no material adverse change in the business or consolidated financial condition of the relevant Senior Obligors since the date as at which the financial statements referred to above were prepared; and
- (ii) the financial statements most recently delivered to the Senior Facility Agent have been prepared in accordance with the Accounting Principles; and give a true and fair view of (if audited) or fairly present (if unaudited and subject to customary year-end

adjustments and to the extent reasonably expected of financial statements not subject to audit procedures) the financial condition of the Senior Group or, as applicable, the relevant Senior Obligor as at the end of, and consolidated results of operations for, the period to which they relate.

- (l) *No proceedings pending or threatened*: no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency are current or, to the best of its knowledge (having made due enquiry appropriate and consistent for entities of a similar nature to the Senior Obligors acting on transactions similar to those contemplated by the Senior Facility Transaction Documents), pending against it or any of its subsidiaries which if adversely determined would have a Material Adverse Effect;
- (m) *Environmental laws*: it is in compliance with its undertakings in relation to environmental matters and, to the best of its knowledge (having made due and careful enquiry), no circumstances have occurred which would prevent that performance or observation where failure to do so would have a Material Adverse Effect; and no any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law (an **Environmental Claim**) is current or, to the best of its knowledge (having made due and careful enquiry), pending or threatened against it which if adversely determined would have a Material Adverse Effect;

Environment Law means any applicable law or regulation which relates to: (i) the pollution or protection of the environment; (ii) the conditions of the workplace; or (iii) 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.

- (n) *Taxation*:
 - (i) except as disclosed in a Report, it has paid and discharged all material Loan Taxes imposed on it or its assets within the time period allowed without incurring interest or penalties (save to the extent that (i) payment is being contested in good faith, (ii) it has maintained adequate reserves for the payment of such Loan Taxes and (iii) payment can be lawfully withheld);
 - (ii) there are no claims which are current or, to the best of its knowledge (having made due enquiry appropriate and consistent for entities of a similar nature to the Senior Obligors acting on transactions similar to those contemplated by the Senior Facility Transaction Documents), pending against it with respect to Loan Taxes which if adversely determined would have a Material Adverse Effect;
 - (iii) except as disclosed in a Report, it is not materially overdue in the filing of any Loan Tax returns;
 - (iv) it is and has at all times been solely resident for Loan Tax purposes in the jurisdiction of its incorporation, and has not carried on a trade or business in any jurisdiction other than the jurisdiction of its incorporation;
 - (v) each member of the Senior Group that owns a Property is validly registered for VAT; and
 - (vi) no member of the Senior Group is treated as a member of a VAT Group other than a VAT Group consisting of persons that are members of the Senior Group;

VAT Group means a group (or fiscal unity) for the purposes VAT;

- (o) *Financial Indebtedness*: No member of the Senior Group has any Financial Indebtedness outstanding other than as permitted by the Senior Facility Agreement;

Financial Indebtedness means any indebtedness for or in respect of:

- (i) monies borrowed or raised and debit balances at banks or other financial institutions;
 - (ii) any amount raised by acceptance under any acceptance credit facility or by a bill discounting or factoring credit facility (or dematerialised equivalent);
 - (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
 - (iv) the amount of any liability in respect of any lease or hire purchase contract or other agreement which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
 - (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
 - (vi) any Treasury Transaction (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 Treasury Transaction, that amount) at the time of calculation shall be taken into account);
 - (vii) any counter indemnity obligation in respect of a guarantee, indemnity, bond, stand-by or documentary letter of credit or any other instrument issued by a bank or financial institution;
 - (viii) any amount raised by the issue of redeemable shares;
 - (ix) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days past the period customarily allowed by the relevant supplier to its customers generally for deferred payment;
 - (x) any arrangement pursuant to which an asset sold or otherwise disposed of by a Mezzanine Obligor may be re-acquired by an Mezzanine Obligor (whether following the exercise of an option or otherwise);
 - (xi) any amount raised under any other transaction (including any forward sale or purchase agreement sale and sale back or sale and leaseback agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing; and
 - (xii) (without double counting) the amount of any liability in respect of any guarantee or indemnity or similar assurance loss for any of the items referred to in the preceding paragraphs of this definition and any agreement to maintain the solvency of any person whether by investing in, lending to or purchasing the assets of such person.
- (p) *Good title to property*:
- (i) Except as disclosed in any Report, on and from the Closing Date:

- (A) each Senior Borrower is the sole legal and beneficial owner of its Property and it holds good and marketable title to the Property, in each case free from any Security (other than any Permitted Security);
- (B) each Senior Borrower is the legal and beneficial owner of, and has good and marketable title to each of its assets (other than any Property) which are expressed to be the subject of the Transaction Security, in each case, free from any Security (other than any Permitted Security);
- (C) (other than any such licence, consent or authorisation solely required under applicable law in respect of the use of the relevant Property by a tenant) in respect of the relevant Property, the Senior Borrower has the benefit of all licences, consents and authorisations, in each case required under all applicable law in connection with that Senior Borrower's ownership and use of the relevant Property and they are in full force and effect and no breach of any law, regulation or covenant is outstanding which would have a material adverse effect on the value, saleability or use of the relevant Property;
- (D) there is no covenant, burden, undertaking, easement, agreement, reservation, restriction, condition or other matter which adversely affects the relevant Property;
- (E) the relevant Property is not subject to any overriding interest or an unregistered interest which overrides first registration or registered dispositions;
- (F) all facilities necessary for the enjoyment and use of each Property are enjoyed by that Property and no facility necessary for the enjoyment and use of the relevant Property is enjoyed by the relevant Property on terms entitling any person to terminate or curtail its use;
- (G) the Property is free and clear of material damage and structural defects which would have a material adverse effect on the value of the relevant Property;
- (H) the Property is not subject to or at risk of flooding or subsidence which would have a material adverse effect on the value of the relevant Property;
- (I) it has complied in all material respects with planning laws to which it or the Property may be subject and with any condition, agreement or undertaking to applicable planning permissions or otherwise relating to or affecting the Property, other than such matters which are the sole obligation of any tenant under any occupational lease and which do not bind any Senior Obligor in any capacity;
- (J) each Property is held by the relevant Senior Borrower free from any lease (other than any lease that has been entered into prior to the date of or otherwise in accordance with the terms of the Senior Facility Agreement); and
- (K) no Senior Obligor has received any notice of any adverse claim by any person in respect of the ownership of the Property or any interest in it which if adversely determined would have a Material Adverse Effect nor has any acknowledgement been given to any such person in respect of the Property; and

- (ii) All deeds and documents necessary to show good and marketable title to the Senior Borrower's interests in the Properties located in the United Kingdom will from the Closing Date be:
 - (A) in possession of the Common Security Agent; or
 - (B) held at the applicable land registry to the order of the Common Security Agent; or
 - (C) held to the order of the Common Security Agent by a firm of solicitors approved by the Common Security Agent for that purpose.
- (q) *Ranking*: its payment obligations under the Senior Finance Documents to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors other than those *creditors* whose claims are preferred by any bankruptcy, insolvency, liquidation or other similar laws of general application.
- (r) *Centre of Main Interests*: (i) its Centre of Main Interests is situated in its jurisdiction of incorporation; and (ii) it has no establishment in any jurisdiction other than its jurisdiction of incorporation;
- (s) *No other business*: no Senior Obligor has traded or carried on any business since the date of its incorporation except for entering into the Senior Facility Transaction Documents and effecting the transactions *contemplated* thereby and the acquisition, ownership, management, financing, development and leasing of its interests in the Property and any activities directly related thereto; and in the case of an Senior Obligor that is a Holding Company, effecting transactions in the administration and business of being a Holding Company and the ownership of subsidiaries;
- (t) *Ownership of Obligors*: the group structure chart on page 30 is true, complete and accurate in all material respects and shows the structure of the Senior Group on the dates set out at the start of this section headed “—*Representations and Warranties*”;
- (u) *Security*:
 - (i) no Security exists over all or any of the present or future assets of the Senior Obligors expressed to be the subject of the Transaction Security except Permitted Security;
 - (ii) all of the shares in any Senior Obligor which are expressed to be subject to the Transaction Security have been duly issued, are fully paid and are not subject to any option to purchase or similar rights and constitute all of the issued shares in that Senior Obligor;
 - (iii) the constitutional documents of any Senior Obligor the shares in which are expressed to be subject to Transaction Security do not restrict or inhibit any transfer of those shares on creation or would not restrict or inhibit any transfer of those shares on enforcement of the Transaction Security (except for any restrictions (*blokkeringsregelingen*) included in the articles of association of any member of the Senior Group which is incorporated under Dutch law); and
 - (iv) subject to any rights of a Borrower Account Bank (except to the extent waived pursuant to the relevant acknowledgement of Transaction Security) there is no restriction or prohibition applicable to any of the Control Accounts or any part thereof which may restrict or prohibit, and there is no consent required for, any transfer or assignment or assignation by way of security or otherwise of any Control Account or

any part thereof (including, without limitation, under or pursuant to the Transaction Security Documents) and without prejudice to the foregoing there is no resolution, mandate, agreement or arrangement which could restrict or prohibit any transfer or assignment or assignation by way of security or otherwise of the Control Accounts or any part thereof (including, without limitation, under or pursuant to the Transaction Security Documents);

(v) *Anti-corruption laws and sanctions:*

- (i) to the extent required by law, Senior PledgeCo has implemented and maintains in effect policies and procedures designed to ensure compliance by each member of the Senior Group and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions;
- (ii) each member of the Senior Group and their respective directors and officers and, to the knowledge of Senior PledgeCo, their respective employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in any member of the Senior Group being designated as a Sanctioned Person;
- (iii) none of (i) the members of the Senior Group or, to the knowledge of the members of the Senior Group, any of their respective directors, officers or employees, or (ii) to the knowledge of the members of the Senior Group, any agent of any member of the Senior Group that will act in any capacity in connection with or benefit from the credit facility established by the Senior Facility Agreement, is a Sanctioned Person; and
- (iv) no utilisation under the Senior Facility Agreement or use of proceeds by any member of the Senior Group or other transaction contemplated by the Senior Facility Agreement will violate Anti-Corruption Laws or applicable Sanctions.

Anti-Corruption Laws means all laws, rules, and regulations of any jurisdiction applicable to any member of the Senior Group from time to time concerning or relating to bribery or corruption.

Sanctioned Person means, at any time, (a) any person listed in any Sanctions-related list of designated persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, (b) any person operating, organized or resident in a Sanctioned Country; or (c) any person owned or controlled by any such person or persons.

Sanctioned Country means, at any time, a country or territory which is itself the subject or target of any Sanctions (at the date of this Prospectus, Cuba, Iran, North Korea, Sudan and Syria).

Sanctions means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by: (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State; or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

The following representations are deemed to be made by each Senior Obligor to each Senior Finance Party on the first day of each Senior Loan Interest Period, provided that paragraphs (v)(ii) and (v)(iii) (Anti-corruption laws and sanctions) above are repeated (i) based on the assumption that no person in the United Kingdom and the Netherlands is a Sanctioned Person and no such jurisdiction is a Sanctioned Country; and (ii) only in relation to members of the Senior Group: each of the representations set out under the heading “*Description of the Facility Agreements—The Senior Facility Agreement—Representations and warranties*” under paragraph (a) (Status), paragraph (b) (Binding obligations), paragraph (c) (Non-conflict), paragraph (d) (Power and authority), paragraph (e) (Validity and admissibility in evidence), paragraph (f) (Governing law and enforcement), paragraph (h) (No filing or stamp taxes), paragraph (i)(b) (No default), paragraphs (p)(i)(A), (B), (C), (D), (E), (F), (H) and (J) and (p)(ii) (Good title to property) and paragraphs (v)(ii) and (iii) (Anti-corruption laws and sanctions).

Undertakings

Each Senior Obligor, Senior PledgeCo and each Senior Borrower (as applicable) has given various undertakings under the Senior Facility Agreement which remain in force so long as any amount is outstanding under the Senior Finance Documents is in force. These undertakings generally include, among other things, the following undertakings (subject, in each case, to the specific terms and concessions in the Senior Facility Agreement):

Information undertakings

- (a) *Financial statements*: an undertaking by Senior PledgeCo to provide to the Senior Facility Agent as soon as the same become available, but in any event within 180 days after the end of each of its financial years, a copy of its audited consolidated financial statements for that financial year;
- (b) *Compliance certificate*: an undertaking by Senior PledgeCo to provide to the Senior Facility Agent a compliance certificate on each day falling five Business Days before each Senior Loan Interest Payment Date signed by an authorised signatory of Senior PledgeCo and confirming:
 - (i) (with any necessary computations) whether a Cash Trap Event has occurred on that Senior Loan Interest Payment Date and the Senior LTV Ratio on that LTV Ratio Test Date;
 - (ii) (with any necessary computations) whether a Cash Trap Event has occurred on that Senior Loan Interest Payment Date and the Senior ICR on that ICR Test Date;
 - (iii) for the purposes of determining whether a Seasonality Reserve Event has occurred, on the Senior Loan Interest Payment Date in November and February, the ratio of (1) Trailing 3-Month Net Operating Income to (2) Projected 3-Month Interest Costs (the **Quarterly ICR**);
 - (iv) that, so far as Senior PledgeCo is aware, no Senior Loan Event of Default or Potential Senior Loan Event of Default has occurred and is continuing or, if a Senior Loan Event of Default or Potential Senior Loan Event of Default has occurred and is continuing, what Senior Loan Event of Default or Potential Senior Loan Event of Default has occurred and the steps being taken to remedy such; and
 - (v) if a Cash Trap Event has occurred, the amount of Excess Cash;

Projected 3-Month Interest Costs means, in respect of a Senior Loan Interest Payment Date, the sum of:

- (i) all interest and payable by the Senior Obligor on that Senior Loan Interest Payment Date; and
 - (ii) all interest and fees of the Mezzanine Facility Agreement which shall be payable by the Mezzanine Obligor on the Mezzanine Loan Interest Payment Date immediately following the relevant Senior Loan Interest Payment Date.
- (b) *Property information*: an undertaking by Senior PledgeCo to provide to the Senior Facility Agent on the date of delivery of each compliance certificate a quarterly management report, both in “public” form (which may be made public) and in “private” form (subject to the confidentiality provisions included in the Senior Facility Agreement);
- (c) *“Know your customer” checks*: an undertaking by each Senior Obligor to supply such documentation and evidence as is reasonably requested by the Senior Facility Agent or a Senior Lender to carry out all necessary “know you customer” or other similar checks under all applicable laws and regulations;
- (d) *Miscellaneous*: an undertaking by the Senior Obligor to supply to the Senior Facility Agent various documents including (i) copies of all non-administrative documents dispatched by to its shareholders generally (or any class of them), (ii) details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Senior Group (or against its directors or officers) and which, if adversely determined, would have a Material Adverse Effect, (iii) the details of any Environmental Claim which is current, threatened or pending against any Senior Obligor which, if adversely determined, would have a Material Adverse Effect, (iv) any facts or circumstances which shall or are reasonably likely to result in an Environmental Claim being commenced or threatened against any Senior Obligor which, if adversely determined, would have a Material Adverse Effect, (v) within five Business Days of entering into any Hedge Document, a copy of such Hedge Document and a copy of any notice to each hedge counterparty party to that Hedge Document (and substantially in the form required by the relevant Transaction Security Document), (vi) promptly and in any event within five Business Days of any Senior Obligor entering into any asset management agreement, provide the Senior Facility Agent with a copy of that asset management agreement, (vii) a copy of each document setting out the terms of any Investor Debt (if any) and Subordinated Loans (if any) in place at the time of such request; and (viii) further information regarding the financial condition, business and operations of any Senior Obligor as any Senior Finance Party (through the Senior Facility Agent may reasonably request; and
- (e) *Notification and determination of Senior Loan Event of Default or Potential Senior Loan Event of Default*: an undertaking by each Senior Obligor to notify the Senior Facility Agent of any Senior Loan Event of Default or Potential Senior Loan Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Senior Obligor is aware that a notification has already been provided by another Senior Obligor). In addition, upon a request by the Senior Facility Agent if it believes (acting in good faith) that a Senior Loan Event of Default or Potential Senior Loan Event of Default may have occurred and is continuing, Senior PledgeCo shall supply to the Senior Facility Agent a certificate signed by an authorised signatory on its behalf certifying that so far as Senior PledgeCo is aware no Senior Loan Event of Default or Potential Senior Loan Event of Default is continuing (or if a Senior Loan Event of Default or Potential Senior Loan Event of Default is continuing, specifying the Senior Loan Event of Default or Potential Senior Loan Event of Default and the steps, if any, being taken to remedy it).

Financial covenants

(a) *Defined terms*

Base Currency means sterling.

Base Currency Amount means in relation to any amount:

- (a) expressed to be in sterling, that amount in sterling; or
- (b) expressed to be in euro, that amount converted into the Base Currency at the Spot Rate of Exchange on the date which is no more than three Business Days before the date on which such amount falls to be calculated (or, in the case of any conversion for purposes of the Senior LTV Ratio or Senior ICR, on the Financial Quarter Date falling immediately prior to the date on which the Senior LTV Ratio or Senior ICR (as applicable) is calculated).

Net Debt means, on any date, the Base Currency Amount of the aggregate principal amount outstanding of the Senior Loans minus the Base Currency Amount of the aggregate amount standing to the credit of the Senior Prepayment Account, the Cash Trap Accounts and the Equity Cure Accounts.

Senior ICR means, on any Senior Loan Interest Payment Date, the ratio of (a) Trailing 12-Month Net Operating Income in respect of the Relevant Period ending on the Financial Quarter Date falling immediately prior to that Senior Loan Interest Payment Date to (b) on that Senior Loan Interest Payment Date, the sum of all interest which shall be payable by the Senior Obligor to the Senior Finance Parties under the Senior Finance Documents during the 12 month period commencing on that Senior Loan Interest Payment Date (excluding that Senior Loan Interest Payment Date but including the Senior Loan Interest Payment Date falling 12 months later), assuming that each of Loan LIBOR and Loan EURIBOR for each Senior Loan Interest Period that ends during that period is equal to three per cent. per annum.

Senior LTV Ratio means, on any date, the proportion expressed as a percentage which Net Debt bears to the Base Currency Amount of the aggregate market value of the Properties (other than an ancillary property set out in the Senior Facility Agreement) on that date calculated by reference to the then most recent Valuation.

Spot Rate of Exchange means, on any day, the Common Security Agent's spot rate of exchange for the purchase of euro with the Base Currency in the London foreign exchange market as of 11.00 a.m. on that day.

Trailing 12-Month Net Operating Income means, for a Relevant Period, the Net Operating Income during that Relevant Period (provided that the Net Operating Income for any Property that has been subject to a permitted disposal set out in the Senior Facility Agreement during that Relevant Period shall be excluded).

(b) *Scope of financial covenants*

Each Senior Obligor is required to ensure compliance with the following financial covenants:

- (i) on each LTV Ratio Test Date, that the Senior LTV Ratio does not exceed 75 per cent. (the **Senior LTV Ratio Covenant**); and
- (ii) on each ICR Test Date, that the Senior ICR is not less than 1.25:1 (the **Senior ICR Covenant**).

Such financial covenants will be tested by reference to the information contained in the relevant compliance certificate (without double counting) and, in respect of (i) only, by reference to the most recent Valuation delivered prior to the date of such compliance certificate

(c) *Timing for testing financial covenants*

(i) **LTV Ratio Test Date** means each Senior Loan Interest Payment Date falling after the first Valuation Date.

(ii) **ICR Test Date** means each Senior Loan Interest Payment Date.

(d) *Cure rights*

Senior PledgeCo has the right to cure an unsatisfied financial covenant described under paragraph (b) (Scope of financial covenants) above as follows:

(i) if the Senior LTV Ratio is not satisfied on an LTV Ratio Test Date, Senior PledgeCo may within 20 Business Days of that LTV Ratio Test Date, procure the prepayment of the Senior Loans or the deposit of an amount in the relevant Equity Cure Account sufficient (but not more than the amount required) to ensure that when taking into account such prepayment or deposit in the calculation of the Senior LTV Ratio the requirements for the Senior LTV Ratio would be met; and

(ii) if the Senior ICR is not satisfied on an ICR Test Date, Senior PledgeCo may within 20 Business Days of that ICR Test Date, procure the prepayment of the Senior Loans or the deposit of an amount into the relevant Equity Cure Account sufficient (but not more than the amount required) to ensure that if such amount had been prepaid on the first day of the Relevant Period commencing on the Financial Quarter Date falling immediately prior to that ICR Test Date the requirements for the Senior ICR would be met.

Upon such prepayment or deposit of an Equity Cure Amount as described in paragraphs (i) and (ii) above, the relevant financial covenant shall be deemed to have been satisfied as at the relevant date for all purposes under the Senior Finance Documents.

Cure rights are also available under the Mezzanine Facility Agreement as described in the section titled “—*The Mezzanine Facility Agreement—Cure Rights*”. The cure rights specified in paragraphs (i) and (ii) above and in paragraphs (i) and (ii) under “—*The Mezzanine Facility Agreement—Cure Rights*” may not be exercised in respect of more than two consecutive Senior Loan Interest Payment Dates or Mezzanine Loan Interest Payment Date. For this purpose, each Senior Loan Interest Payment Date and the immediately following Mezzanine Loan Interest Payment Date shall be deemed to occur on the same date.

The cure rights specified in paragraphs (i) and (ii) above and in paragraphs (i) and (ii) under “—*The Mezzanine Facility Agreement—Cure Rights*” may only be exercised a maximum of four times in aggregate. For this purpose, each Senior Loan Interest Payment Date and the immediately following Mezzanine Loan Interest Payment Date shall be treated as one and the same, so that any exercise of cure rights affecting either or both of a Senior Loan Interest Payment Date and the immediately following Mezzanine Loan Interest Payment Date shall be treated as one exercise of cure rights.

Any Equity Cure Amount deposited in the Equity Cure Accounts shall be allocated between Senior PledgeCo’s Equity Cure Account and the Dutch Obligor’s Equity Cure Account in the proportions necessary (and paid in the appropriate currencies) to achieve, as far as possible, Equivalent LTVs.

Equivalent LTVs means, on any date, that:

- (a) the proportion, expressed as a percentage, which the aggregate principal amount then outstanding under the Senior GBP Loan (after application of all amounts standing to the credit of the Cash Trap Accounts, the Equity Cure Accounts and the Senior Prepayment Accounts) bears to the aggregate market value of the UK Properties calculated by reference to the then most recent Valuation,

is equal to

- (b) the proportion expressed as a percentage, which the aggregate principal amount then outstanding under the Senior EUR Loan (after application of all amounts standing to the credit of the Cash Trap Accounts, the Equity Cure Accounts and the Senior Prepayment Accounts) bears to the market value of the Dutch Property calculated by reference to the then most recent Valuation.

See “—*The Mezzanine Facility Agreement—Cure Rights*” for further information.

General undertakings

- (a) *Authorisations*: an undertaking by each Senior Obligor to promptly obtain, comply with and do all that is necessary to maintain in full force and effect and, if requested by the Senior Facility Agent, supply to the Senior Facility Agent any authorisation required under any applicable law or regulation of a Relevant Jurisdiction to enable it to perform its obligations under the Senior Facility Transaction Documents to which it is a party, (subject to the Senior Loan Legal Reservations), ensure the legality, validity, enforceability or admissibility in evidence in each Relevant Jurisdiction of any Transaction Document, and own its assets and to carry on its business, trade and ordinary activities as currently conducted where failure to obtain or comply with those authorisations would have a Material Adverse Effect;
- (b) *Compliance with laws*: an undertaking by each Senior Obligor to comply in all respects with all laws to which it or the Property or any other asset which is the subject of the security created pursuant to the Transaction Security Documents is subject in each case where failure to do so would have a Material Adverse Effect;
- (c) *Environmental compliance*: an undertaking by each Senior Obligor to comply with all Environmental Law applicable to the Property, obtain, maintain and ensure compliance with all requisite environmental permits as required for the business currently carried on at the Property or to which that Senior Obligor may otherwise be subject and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same, comply with all other covenants, undertakings, conditions, restrictions or agreements directly or indirectly relating to any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with the Property, and implement where legally required the procedures required under any Environmental Law applicable to the business carried on at the Property and shall notify the Senior Facility Agent when all such steps have been implemented fully, in each case where failure to do so would have a Material Adverse Effect.
- (d) *Merger*: an undertaking that no Senior Obligor may enter into any amalgamation, demerger, merger or corporate reconstruction, other than with the consent of the Majority Senior Lenders.

- (e) *Conduct of business: an undertaking that:*
- (i) Senior PledgeCo will procure that no substantial change is made to the general nature of the business of the Senior Group taken as a whole from that carried on as at the date of the Senior Facility Agreement;
 - (ii) no Senior Obligor that does not own a Property will trade, carry on any business, own any assets or incur any liabilities other than in the ordinary course of business in relation to the ownership of shares in its subsidiaries, intra-Senior Group debit balances and credit balances, other incidental assets and the incurrence of liabilities and consummation of other transactions in compliance with the Senior Facility Transaction Documents;
 - (iii) each Senior Borrower will only conduct the business of acquiring, owning, managing, financing, developing and letting its Property and activities directly related thereto in any manner which is in compliance with the Senior Finance Documents;
 - (iv) each Senior Obligor will conduct its business in a reasonable and prudent manner and in accordance with its constitutional documents and in a manner which is in compliance with the Senior Finance Documents;
 - (v) each Senior Obligor will (in each case, to the extent that Senior Obligor considers it is in accordance with its interests to do so or is directed by the Senior Facility Agent to do so) take all reasonable and practical steps to preserve and enforce its rights and pursue any claims and remedies, including those arising in respect of any Report;
 - (vi) each Senior Obligor will maintain its accounts, books and records separately from any other person, not co-mingle its assets with those of any other person, discharge all obligations and liabilities due and owing by it from its own funds, and hold itself out as a separate entity; and
 - (vii) Senior PledgeCo will ensure that all of its subsidiaries are Senior Obligors;
- (f) *Material contracts:* an undertaking that no Senior Obligor will enter into any material agreement without the prior written consent of the Majority Senior Lenders (not to be unreasonably withheld or delayed) other than any Transaction Document, any other agreement permitted under any term of any Senior Finance Document and any agreement consistent with its business as set out in the Senior Facility Agreement;
- (g) *Acquisitions:*
- (i) an undertaking that no Senior Obligor will acquire a company, any shares, business, undertaking or real estate assets (or in each case any interest in them) from any person; or incorporate a company, partnership, firm or any other form of corporation or organisation (howsoever described), except as permitted under paragraph (g)(ii) below;
 - (ii) an undertaking that no Senior Obligor will acquire or allow to be transferred to it any assets other than those which are necessary for the performance of its obligations under the Senior Finance Documents or otherwise pursuant to its business permitted under the Senior Finance Documents;
 - (iii) the restrictions included above do not apply to any permitted reorganisation under the Senior Facility Agreement, and any acquisition of, or subscription for, shares permitted by the Senior Facility Agreement;

- (h) *Pari passu ranking*: an undertaking by each Senior Obligor to ensure that its payment obligations under the Senior Finance Documents at all times rank at least *pari passu* with the claims of all unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;
- (i) *Centre of Main Interests*: an undertaking from each Senior Obligor that it must not cause or allow its registered office or Centre of Main Interests to be in any jurisdiction other than its jurisdiction of incorporation and must not maintain an establishment in any other jurisdiction other than its jurisdiction of incorporation;
- (j) *Negative pledge*: an undertaking by each Senior Obligor not to (A) create or allow to exist any Security over the whole or any of its assets (B) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by it, (C) sell, transfer or otherwise dispose of any of its receivables on recourse terms, (D) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or (E) enter into any other preferential arrangement having a similar effect, in each case in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset except for any Permitted Security;
- (k) *Disposals*: an undertaking by each Senior Obligor not to enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary, to sell, lease, transfer or otherwise dispose of the whole or any part of its assets except for any transaction which is a permitted disposal set out in the Senior Facility Agreement;
- (l) *Arm's length basis*: an undertaking by each Senior Obligor not to enter into any transaction with any person except on arm's length terms (including, for the avoidance of doubt, any contract or agreement in relation to letting agent fees and leasing commissions). Such undertaking does not apply to: (i) any transaction entered into with a third party on terms more favourable to the relevant Senior Obligor than arm's length terms, (ii) any Subordinated Loan, (iii) any Investor Debt, (iv) transactions between any Senior Borrower and Senior PledgeCo in the ordinary course of business, (v) any Equity Contribution, (vi) fees, costs and expenses for central overheads (including officers appointed to the Senior Obligors by the Investors) charged to the Senior Obligors by the Investors (excluding, for the avoidance of doubt, any such amounts charged under a Hotel Management Agreement) and (vii) any transaction or arrangement under or contemplated in the Senior Finance Documents;

Equity Contribution means an amount which is contributed to the Senior PledgeCo in cash by way of capital contribution (other than a capital contribution constituting Financial Indebtedness) or subscription for shares in the Senior PledgeCo and contributed or invested (if required) by the Senior PledgeCo directly or indirectly to another Senior Obligor by way of capital contribution (other than a capital contribution constituting Financial Indebtedness) or subscription for shares in that Senior Obligor;

- (m) *No Guarantees or indemnities*: an undertaking by each Senior Obligor not to incur or allow to remain outstanding any guarantee or indemnity in respect of Financial Indebtedness except for a guarantee or indemnity which is a the permitted guarantee under the Senior Finance Documents;
- (n) *Dividends, distributions and share redemption*: an undertaking by each Senior Obligor not to: (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee, distributions or expenses) in the nature of or intended to act as a distribution to any of its shareholders or make any payments in respect of Financial Indebtedness owed to any of its shareholders (in that capacity) (whether in cash or in kind), (ii) make any payment of any kind in respect of any Investor Debt provided that the roll-up or

capitalisation of any amount due in respect of such Financial Indebtedness shall be permitted, (iii) repay or distribute any dividend or share premium reserve, or (iv) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so, in each case except for any Permitted Distribution or any Permitted Mezzanine Distribution; and an undertaking by each Senior Obligor to promptly pay all calls or other payments which may be or become due in respect of any shares held by it and shall not appoint any third party nominee to exercise any members' rights or information rights in relation to any shares held by it;

A **Permitted Mezzanine Distribution** is defined as a distribution:

- (i) made out of monies withdrawn from the Collection Account under paragraph (iv) of the priority of payments, as described above under “—*Collection Accounts*”;
 - (ii) made, at a time when no Payment Stop Notice is outstanding (in accordance with the Intercreditor Agreement), out of monies withdrawn from the Collection Account under paragraph (v) of the priority of payments, as described above under “—*Collection Accounts*”; or
 - (iii) made out of monies withdrawn from the Senior Prepayment Account under paragraph (iv) of the priority of payments, as described above under “—*Senior Prepayment Accounts*”.
- (o) *Financial indebtedness*: an undertaking by each Senior Obligor not to incur or permit to be outstanding any Financial Indebtedness to any person except for any Financial Indebtedness (a) arising under any Senior Finance Document, (b) arising under any Mezzanine Finance Document, (c) that is Investor Debt or (d) that is a Subordinated Loan;
- (p) *Loans or credit*: an undertaking by each Senior Obligor not to be a creditor in respect of any Financial Indebtedness except any (i) credit balances held in any Control Account with any banks or financial institutions; and (ii) any Subordinated Loan;
- (q) *Share capital and status*
- (i) an undertaking by each Senior Obligor not to issue any stock, share, debenture or other securities to any person or subscribe for or otherwise acquire any stock or share which is only partly paid up or in respect of which the company which issued that stock or share has any call or lien except where shares (A) are issued by Senior PledgeCo, or (B) issued by an Senior Obligor (other than Senior PledgeCo) to its immediate Holding Company where, if the existing shares issued by such Senior Obligor are the subject of the Transaction Security, the newly issued shares also become subject to the Transaction Security on the same terms and promptly following the issue of such shares all associated Perfection Requirements (if any) are met;
 - (ii) an undertaking by each Senior Obligor not to alter any rights relating to its issued shares other than an alteration which does not (A) adversely affect the enforceability of the Transaction Security Documents or the rights of the Senior Finance Parties under the Transaction Security Documents, (B) adversely affect the saleability or transferability of such issued shares, or (C) operate to decrease the value of such issued shares (taken as a whole); and
 - (iii) an undertaking by each Senior Obligor not to have any subsidiaries, other than as shown in the group structure charge on page 30;

(r) *Hotel Management Agreements*

- (i) an undertaking by each Senior Obligor to comply in all material respects with its obligations under each Hotel Management Agreement to which it is a party and to take all reasonably commercial and prudent steps (in each case, to the extent that the relevant Senior Obligor considers it is in accordance with its interests to do so or is directed by the Senior Facility Agent (on the instructions of the Majority Senior Lenders) to do so) to enforce the material terms of each Hotel Management Agreement against any other party thereto;
- (ii) an undertaking by each Senior Obligor not to terminate the appointment of a Hotel Manager without the prior written consent of the Senior Facility Agent (not to be unreasonably withheld) unless the Senior Facility Agent is first notified in writing (with at least five Business Days' notice) of the Senior Obligor's intention to terminate the relevant appointment and a new Hotel Manager which is a Qualified Manager is promptly appointed under a New Hotel Management Agreement;

New Hotel Management Agreement means:

- (a) a management agreement with a Qualified Manager substantially in the same form and substance as the Hotel Management Agreement; or
- (b) a management agreement with a Qualified Manager, which management agreement shall:
 - (i) have been entered into by the relevant Borrower and such Qualified Manager on an arms'-length basis and otherwise on commercially reasonable third-party terms;
 - (ii) have economic terms and management fees comparable to existing local market rates;
 - (iii) not modify (as compared to the previous Hotel Management Agreement) the cash management structure or the flow of operating revenue from the Hotel Manager to the relevant Borrower in any way which impacts on the payment flows or account mechanics under the Senior Finance Documents;
 - (iv) deal with revenue, deductions and FF&E in materially the same manner as the previous Hotel Management Agreement; and
 - (v) not be materially adverse to the interests of the Senior Lenders (as compared to the previous Hotel Management Agreement) in any other respect; or
- (c) a management agreement with a Qualified Manager, which management agreement shall be reasonably acceptable to the Facility Agent in form and substance.

Qualified Manager means (a) the Hotel Manager; (b) any of Hilton Worldwide, Starwood, Accor, Hyatt, Intercontinental, Sheraton and Marriott (an **Approved Hotel Manager**) with respect to each applicable individual Property; (c) any management company which is an Affiliate of, controlled by, or under common control with, any Approved Hotel Manager; or (d) a reputable and experienced management organisation (which may be an Affiliate of a Senior Borrower) possessing experience in managing properties similar in size, scope, use and value as the Properties that is reasonably acceptable to the Senior Facility Agent.

- (iii) if a Hotel Manager breaches a Hotel Management Agreement or a Bank Direct Agreement in any material respect and, as a result, a right of termination arises, an undertaking by the Senior Obligor concerned to promptly upon becoming aware of such breach notify the Senior Facility Agent and where such breach is not remedied within the applicable cure periods set forth in the relevant Hotel Management Agreement, then the Senior Facility Agent, if so instructed by the Majority Senior Lenders, may require the Senior Obligor concerned to terminate the relevant Hotel Management Agreement and to appoint a new Hotel Manager which is a Qualified Manager in relation to the Property under a New Hotel Management Agreement;
 - (iv) an undertaking by each Senior Obligor not to appoint any person as a property manager or managing agent of the Property unless such person is a Hotel Manager and such appointment is made under a Hotel Management Agreement;
 - (v) an undertaking by each Senior Obligor to ensure that at the same time as the entry into each Hotel Management Agreement the relevant Hotel Manager enters into a Bank Direct Agreement;
 - (vi) an undertaking by each Senior Borrower not to amend, vary, novate, forego or waive (each a **HMA Change**) any provision or right of condition, arising in or under any Hotel Management Agreement, if such HMA Change (A) results in an increase in the hotel management fees, a change in the termination provisions such that they become more onerous for the relevant Senior Borrower or a reduction of the term of any Hotel Management Agreement, (B) may have a material adverse effect on the operation or performance of the relevant hotel or the net operating income available to the Senior Obligors, (C) conflicts with the provisions of the relevant Bank Direct Agreement, or otherwise adversely affect the interests of the Senior Finance Parties under the Senior Finance Documents or the validity or enforceability of the Transaction Security in respect of that Hotel Management Agreement;
 - (vii) an undertaking by each Senior Borrower not without the Senior Facility Agent's consent (which consent shall not be unreasonably withheld), give its consent to an increase in an FF&E Reserve Deduction if the proposed increase is to 5 per cent. or more of revenue, or a Cash Trap Event has occurred and is continuing;
 - (viii) an undertaking by each Senior Obligor to provide to the Senior Facility Agent a copy of any HMA Change promptly following execution.
- (s) *Asset Management Agreements*: an undertaking by each Senior Obligor to ensure that the terms of each asset management agreement will provide that (i) if the Transaction Security over the shares in the Senior Borrower is the subject of enforcement action by the Common Security Agent in accordance with the terms of the relevant Transaction Security Document, the Senior Facility Agent may, if so instructed by the Majority Senior Lenders, terminate that asset management agreement by notice to the relevant asset manager without prejudice to any amounts due and payable to that asset manager under the relevant asset management agreement before the date of termination but without triggering any termination fees or penalties in excess of those payable on any other "without cause" termination by the Senior Borrowers, and (ii) the rights of the Senior Facility Agent to terminate the relevant asset management agreement in accordance under the relevant asset management agreement (as further described in paragraph (i) above) cannot be amended, varied or waived without the prior written consent of the Majority Senior Lenders;
- (t) *Treasury Transactions*: an undertaking by each Senior Obligor not to enter in any Treasury Transaction other than (i) in accordance with provisions relating to hedging in the Senior Facility Agreement, (ii) any currency spot trade to facilitate payments made in compliance

with the terms of the Senior Finance Documents and in the ordinary course of business and made using monies standing solely to the credit of a General Account from funds which are not required to be reserved or applied for other purposes in accordance with the terms of the Senior Facility Agreement, or (iii) any currency spot trade made to facilitate payments and/or transfers made in compliance with the Senior Facility Agreement provided that no Senior Obligor may incur any liabilities in connection with any such currency spot trade other than liabilities which may, in accordance with this Senior Facility Agreement, be settled and are settled out of monies standing to the credit of a General Account;

A **Treasury Transaction** is any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (including any currency or interest purchase, cap or collar agreement, forward rate agreement, interest rate or currency future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined interest rate and currency swap agreement and any other similar agreement) (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account).

(u) *Taxes*

- (i) an undertaking by each Senior Obligor to maintain its tax residence solely in the jurisdiction of its incorporation or formation and not to carry on a trade or business for tax purposes in any jurisdiction other than its jurisdiction of incorporation or formation;
- (ii) an undertaking by each Senior Obligor not to have a branch, agency, business establishment or other permanent or fixed establishment in any jurisdiction other than in its jurisdiction of incorporation or formation;
- (iii) an undertaking by each Senior Obligor to:
 - (A) ensure that all material Loan Taxes payable by, or assessed upon, it are paid not later than the date on which such Loan Taxes are required to be paid in order to avoid any liability to interest and penalties save to the extent (1) such Loan Taxes are being contested in good faith by it, (2) adequate reserves for the payment of such Loan Taxes are being maintained by it, and (3) payment of such Loan Taxes can be lawfully withheld,
 - (B) comply in all material respects with all Loan Tax laws of the Relevant Jurisdiction; and
 - (C) comply with all requirements to make, deliver or amend returns (including company tax returns) required to be made by it to any fiscal, revenue, customs or excise authority anywhere in the world competent to collect, or administer matters relating to, Tax (a **Tax Authority**) and shall: (1) use all reasonable endeavours to file each such return no later than the date on which that return is required to be filed with the relevant Tax Authority to avoid any material liability to a penalty; and (2) in any event, file each such return within ten Business Days of the date on which that return is required to be filed with the relevant Tax Authority to avoid any material liability to a penalty;
- (iv) an undertaking by each Senior Obligor that owns a Property to remain registered for UK VAT or, in the case of the Dutch Obligor, the Netherlands;

- (v) an undertaking by each Senior Obligor not to (without the prior written consent of the Majority Senior Lenders) become or be otherwise treated as a member of a VAT Group other than any VAT Group consisting only of Senior Obligors;
- (v) *Syndication and securitisation*
- (i) subject to compliance with the conditions in respect of changes to the Senior Finance Parties, each Senior Obligor agrees that all or part of any Senior Loan or commitment or the Loan Seller's interest (or a new Senior Lender's interest where such new Senior Lender is a securitisation issuer) therein or under any Senior Finance Document may be syndicated and/or subject to a securitisation; and
 - (ii) other than as otherwise expressly agreed in any Senior Finance Documents, the Senior Obligors shall not be liable for the fees, costs or expenses of any Senior Finance Party incurred (unless it is otherwise liable to make such reimbursement under the Senior Finance Documents) as a result of or in connection with any syndication and/or securitisation and/or any of the actions listed in paragraph (i) above; and
- (w) *Anti-Corruption Laws and Sanctions*
- (i) an undertaking by Senior PledgeCo, to the extent required by law, to maintain in effect and enforce policies and procedures designed to ensure compliance by each member of the Senior Group and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions;
 - (ii) an undertaking by each Senior Borrower not to request any Senior Loan and each Senior Borrower shall not use and shall procure that its subsidiaries and its or their respective directors, officers, employees and agents shall not use the proceeds of any Senior Loan (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Property undertakings

- (a) *Planning*: an undertaking by each Senior Obligor that: (i) it will comply in all material respects with any conditions attached to any planning permissions and with any statutory undertakings and comply in all material respects with any agreement or undertaking binding on an Senior Obligor under any planning laws, in each case, relating to or affecting the Property other than any condition, agreement or undertaking (as applicable) relating to the occupation of the Property or any condition which are the sole obligation of any tenant under any occupational lease and which do not bind any Senior Obligor in any capacity; and (ii) it will not carry out any material development on or of any Property or make any material change in use of any Property save for any development or change in use permitted pursuant to any applicable planning law and permitted under the Senior Facility Agreement;
- (b) *Title*: undertaking by each Senior Obligor that it shall: (i) in all material respects observe and perform all restrictive and other covenants, burdens, undertakings, stipulations and obligations (including but not limited to building rights, leasehold, easements, qualitative obligations and perpetual clauses) now or at any time affecting the Property insofar as the same are subsisting and are capable of being enforced, (ii) duly and diligently to the extent in accordance with the principles of good estate management enforce all restrictive or other

covenants, burdens, undertakings, stipulations and obligations (including but not limited to building rights, leasehold, easements, qualitative obligations and perpetual clauses) benefiting the Property and not waive, release or vary (or agree to do so) the obligations of any other party thereto, (iii) promptly take all such steps (including, without limitation, the execution, completion and delivery of documentation, returns, forms and certificates, the answering of any questions or correspondence from any relevant Tax Authority or any land registry, the payment of any fees, stamp duty land tax, penalties and interest and the delivery of any stamp duty land tax certificates received from any Tax Authority to the Senior Facility Agent as soon as received by it) as may be necessary to enable the Security expressed to be created by the Senior Finance Documents to be validly registered at any land registry, and (iv) observe and perform in all material respects all the covenants and undertakings on the part of the landlord in the occupational leases now or at any time affecting the Property;

- (c) *Occupational leases*: undertaking by each Senior Obligor not to: enter into any agreement for a lease, grant a new occupational lease, consent to any assignment, assignation or sub-letting in respect of any occupational lease, consent to any change of use in respect of any tenant's interest under any occupational lease, forfeit, irritate, or exercise any right of re-entry, or exercise any option or power to break, determine or extend the term of any occupational lease, accept or permit the surrender or renunciation of all or any part of any occupational lease, agree to any dilapidations settlements under any occupational lease, agree to any rent review under an occupational lease (other than upward rent review), agree to any amendment, variation, extension or waiver in respect of any occupational lease, or grant any licence or right to use or occupy any part of a Property (each a **Letting Activity**). The restrictions on Letting Activities described above do not apply to any activity which is a Permitted Letting Activity;

Permitted Letting Activity means any Letting Activity which is:

- (a) contracted on arm's length terms;
- (b) the exercise by an Senior Obligor of any right to forfeit or exercise any right of re-entry in respect of, or exercise any option or power to break or determine, any occupational lease in circumstances where the tenant of the relevant occupational Lease is in breach of its obligations under the relevant occupational lease to pay rent or is otherwise insolvent;
- (c) an acceptance or agreement to any Letting Activity required to be given pursuant to any applicable law;
- (d) made in accordance with the terms of any agreement for lease (provided that such agreement for lease is allowed to subsist and has been entered into in accordance with the terms of the Senior Facility Agreement); or
- (e) made with the prior written consent of the Majority Senior Lenders (such consent not to be unreasonably withheld or delayed).
- (d) *Compulsory purchase*: an undertaking by Senior PledgeCo to notify the Senior Facility Agent promptly if the whole or any material part of the Property is compulsorily purchased or the applicable governmental agency or authority serves an order for the compulsory purchase of the same on any Senior Obligor. On receipt of such notice from Senior PledgeCo and if so instructed by the Majority Senior Lenders, the Senior Facility Agent shall be entitled to request a revised Valuation of the Property (and the cost of any such Valuation shall be borne by Senior PledgeCo) valuing the Property immediately before, and immediately after, that compulsory purchase;

- (e) *Repair*: an undertaking by each Senior Obligor to use all reasonable endeavours to ensure that the Properties are kept in good and substantial repair and condition and that reasonable FF&E is undertaken in each case to a level as required under the relevant Hotel Management Agreement;
- (f) *Capital Expenditure and Alterations*: an undertaking by each Senior Borrower not to, at any time, effect, carry out or permit any demolition, reconstruction, redevelopment or rebuilding of or any structural alteration to the Property or incur capital expenditure in respect of works of alteration, addition, maintenance, repair, improvement, refurbishment and/or extension to the Property except where such project is a Permitted Capex Project;

Capex Project means (i) any demolition, reconstruction, redevelopment or rebuilding of or any structural alteration to a Property or (ii) any demolition, reconstruction, redevelopment or rebuilding of or any structural alteration to a Property.

Permitted Capex Project means any Capex Project which (a) is required to be undertaken by law; (b) is required to be undertaken by a Senior Obligor under the terms of any lease; (c) is required to be undertaken or permitted to be undertaken by a tenant under the terms of any lease provided that the costs and expenses in connection with such Capex Project are not required to be paid for in whole or in part by any Obligor; (d) constitutes FF&E; (e) is required to be undertaken under the terms of the relevant Hotel Management Agreement; (f) can be funded from the aggregate amount standing to the credit of the General Accounts and which has projected costs (as at the date of commencement of such Capex Project) of less than or equal to 5 per cent. of the aggregate market value of the relevant Property (calculated by reference to the then most recent Valuation as at the date of commencement of such Capex Project); (g) is necessary to ensure that no Event of Default referred to in paragraph (c) (Major damage) under the heading “—*Senior Loan Events of Default*” below occurs and which can be funded from amounts standing to the credit of the General Accounts and any Excluded Insurance Proceeds that the relevant insurer has committed to advance under any insurance policy; or (h) is made with the prior written consent of the Majority Senior Lenders (such consent not to be unreasonably withheld or delayed).

- (g) *Notices*: an undertaking by each Senior Borrower to promptly upon receipt of the same provide reasonable details (and if requested a copy of any written particulars received by that Senior Obligor) to the Senior Facility Agent of any notice, order, directive, designation, resolution or proposal (a **Planning Notice**) having application to the Property or to the area in which it is situated and requiring action by that Senior Obligor from any planning authority or other public body or authority under or by virtue of applicable planning laws or any other statutory power or powers conferred by any other law. To the extent an Senior Obligor does not comply with its material obligations under a Planning Notice, upon reasonable prior notice to Senior PledgeCo the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders (acting reasonably)) may at the cost of that Senior Obligor take all reasonable or expedient steps (in the name of the Senior Obligor or otherwise) to remedy such non-compliance and/or make objections or representations against or in respect of any Planning Notice;
- (h) *Pay rents charges and taxes*: an undertaking by each Senior Obligor to punctually pay or cause to be paid and indemnify the Senior Facility Agent on demand against all existing and future rents, taxes, fees, renewal fees, charges, assessments, impositions and outgoings whatsoever whether imposed by deed or by statute or otherwise and whether in the nature of capital or revenue or otherwise and even though of a wholly novel character which now or at any time during the continuance of the security constituted by or pursuant to the Senior Facility Agreement are payable in respect of the Property or any part thereof;

- (i) *Entry and power to inspect and remedy breaches*: at any time, if any Senior Obligor fails, or is considered by the Senior Facility Agent, acting on the instructions of the Majority Senior Lenders (acting reasonably), to have failed to have performed, any obligation under this section headed “*Property Undertakings*” specified above and below or a Senior Loan Event of Default is otherwise continuing, it shall be lawful for the Senior Facility Agent (subject to the terms of any applicable Hotel Management Agreement or lease) (without any obligation to do so) by giving three Business Days prior notice to Senior PledgeCo (except in case of emergency) to enter upon the Property with or without agents appointed by it, architects, contractors, workmen and others as it may reasonably determine and inspect the Property or any part thereof and/or execute such works and take such steps as may, in the reasonable opinion of the Senior Facility Agent, be required to remedy or rectify any such failure and do or take any action on or in relation to the Property as may in the reasonable opinion of the Senior Facility Agent be required to remedy or rectify such failure. The fees, costs and expenses incurred by the Senior Facility Agent (acting reasonably) for such works and taking such steps shall, if an Senior Obligor had failed to have performed, any obligation under the “*Property Undertakings*” or a Senior Loan Event of Default was continuing when such works and steps were taken, be reimbursed by the Senior Obligors to the Senior Facility Agent, promptly on demand;
- (j) *Insurance – content of policies*: an undertaking from each Senior Obligor to effect and maintain or ensure that there is effected and maintained at all times with, subject to paragraph (o) below, approved insurer(s):
- (i) insurance in respect of the Property and other fixtures and fixed plant and machinery forming part of the Property and which are owned by an Senior Obligor against loss or damage by fire, storm, hail, tempest, flood, earthquake, subsidence, 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 such other risks and contingencies as are insured in accordance with sound commercial practice to the full reinstatement value thereof including without limitation, the costs of demolition and site clearance, shoring and propping up, any professional fees and VAT where applicable relating thereto (together with provision for forward inflation), provided that, subject to paragraph (k) below, flood insurance (except for the Tower of London Property and the Westminster Property) and earthquake insurance shall only be required to be effected if available at reasonable cost in the market (and the reinstatement value may be reduced below full reinstatement value to enable such insurance to be effected at reasonable cost) taking into account the risks being insured and on the special assumption that the outstanding principal amount of the relevant Senior Loan was equity at risk for the relevant Senior Obligor;
 - (ii) business interruption insurance in respect of not less than 36 months;
 - (iii) to the extent available in the market on reasonable commercial terms, insurance in respect of acts of terrorism in respect of the Property including any third party liability arising from such acts;
 - (iv) insurance against public liability risks; and
 - (v) such other risks as a prudent property company carrying on the same or substantially similar business as that Senior Obligor would effect;
- (k) *Insurance – flood insurance*: subject to any reduction in the amount of available cover as a result of a claim being made in any year, an undertaking from each Senior Obligor to effect and maintain or ensure that there is effected and maintained at all times flood insurance in an

amount of not less than £60,000,000 (as an annual limit) (excluding the top-up cover in respect of the Tower of London Property and the Westminster Property) across the portfolio of Properties. Each Senior Obligor must effect and maintain or ensure that there is effected and maintained at all times flood insurance in an amount of not less than £40,000,000 (as an annual limit) across the portfolio of Properties;

- (l) *Insurance – Common Security Agent*: an undertaking from each Senior Obligor to: (i) at all times ensure that each insurance policy (except any insurance policy in respect of the insurance against public liability risks or relating to third party liability) is in the names of the Senior Obligors concerned, with the Common Security Agent (on behalf of each Senior Finance Party) named as composite insured, names the Common Security Agent as loss payee and contains a provision under which Insurance Proceeds are payable directly to the Common Security Agent, and (ii) at all times ensure that each insurance policy (A) contains a mortgagee clause whereby such insurance policy shall not be vitiated or avoided as against a mortgagee or security holder in the event of or as a result of any misrepresentation, act, neglect or failure to make disclosure on the part of an Senior Obligor or any tenant or other insured party (other than each Senior Finance Party) or any circumstances beyond the control of any insured party and a waiver of all rights of subrogation, (B) contains terms providing that it shall not be invalidated so far as the Common Security Agent is concerned for failure to pay any premium due without the insurer first giving to the Common Security Agent not less than 30 days' written notice, (C) contains a waiver of the rights of subrogation of the insurer as against each Senior Obligor, each Senior Finance Party and the Hotel Manager, and (D) permit the relevant Senior Obligor to assign all amounts payable to it under each of its Insurances and all rights in connection with those amounts in favour of the Common Security Agent;
- (m) *Insurance – compliance*: an undertaking from each Senior Obligor: (i) to ensure that there has been given to the Senior Facility Agent such information in connection with the insurance policies as the Senior Facility Agent may at any time require and to notify the Senior Facility Agent of renewals made and material variations or cancellations of insurance policies made or, to the knowledge of any Senior Obligor, threatened or pending, (ii) not do or permit anything to be done which may make void or voidable any insurance policy, and (iii) to duly and punctually pay all premiums and other monies payable under all insurance policies and promptly, upon request by the Senior Facility Agent, produce to the Senior Facility Agent a copy or sufficient extract of every insurance policy together with the premium receipts or other evidence of the payment thereof;
- (n) *Insurance – effecting or renewing*: If any Senior Obligor does not comply with its obligations in respect of any insurance policy, the Senior Facility Agent or the Common Security Agent may (without any obligation to do so) effect or renew any such insurance policy on behalf of the Common Security Agent (and not in any way for the benefit of the Senior Obligor concerned) and the monies expended by the Senior Facility Agent or the Common Security Agent on so effecting or renewing any such insurance policy shall be reimbursed by the Senior Obligors to the Senior Facility Agent or the Common Security Agent on demand;
- (o) *Insurance – insurers and underwriters*: (i) an undertaking from each Senior Obligor that at any time any Requisite Rating for any insurer or underwriter with which any insurance policy has been effected is not met, the relevant Senior Obligor shall as soon as practicable following a request from the Senior Facility Agent (but in any event within 60 days of that request from the Senior Facility Agent) unless (ii) applies, effect a new insurance policy with a new insurer or underwriter that meets a Requisite Rating (and shall provide details of such insurer or underwriter and the new insurance policy as may be reasonably required by the Senior Facility Agent). (iii) If following a request from the Senior Facility Agent to replace an insurer or underwriter with an insurer or underwriter that meets a Requisite Rating in accordance with (i) above, it is not possible to find a replacement insurer or underwriter

which meets that Requisite Rating, the Senior Facility Agent and Senior PledgeCo must consult with each other (for a period of no more than five Business Days and both acting reasonably) with a view to agreeing a substitute insurer or underwriter. At the end of that period of consultation the Senior Facility Agent must specify which alternative insurer or underwriter may be used to effect any insurance policy;

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:

- (i) in relation to a bank or financial institution at which a Control Account is held (provided that for the purposes of determining the Requisite Rating of a Borrower Account Bank, the ratings held by a Holding Company of such Borrower Account Bank may be used), the rating of short term instruments with any one of the following ratings: F1 (or better) by Fitch Ratings Ltd. (**Fitch**), P-1 (or better) by Moody's Investors Service Limited (**Moody's**) or A-1 (or better) by S&P;
 - (ii) in relation to any insurance company or underwriter, long term instruments or an insurer financial strength rating with any one of the following ratings: A- (or better) by AM Best, A- (or better) by Fitch, A3 (or better) by Moody's or A- (or better) by S&P; and
 - (iii) in relation to a hedge counterparty, the Hedging Requisite Ratings;
- (p) *Valuation*: (i) an undertaking from each Senior Obligor to pay on demand by the Senior Facility Agent the costs of any valuer which has been instructed by the Senior Facility Agent to provide a Valuation in accordance with (ii) (below) and paragraph (d) above (Compulsory Purchase); (ii) the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders) may instruct a valuer to prepare and issue a Valuation once in every 12 month period falling during the period commencing on 15 February in each year starting from 15 February 2016. If a Potential Senior Loan Event of Default is continuing, the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders) may instruct such valuer to prepare and deliver to the Senior Facility Agent a Valuation as the Senior Facility Agent may direct; (iii) unless otherwise specified in the Senior Facility Agreement, any Valuation carried out by a valuer on the instructions of the Senior Facility Agent other than as referred to in paragraph (ii) above will be at the cost of the Senior Lenders and will not constitute a Valuation for the purposes of the Senior Facility Agreement; and
- (q) *No closure of Hotels*: an undertaking from each Senior Obligor not to (without the prior consent of the Majority Senior Lenders) close any hotel on a Property for more than five consecutive days. This restriction does not apply: (i) where such closure arises as a result of an event insured in accordance with (j) to (o) above, (ii) if such closure is required or recommended by a statutory authority or required in order to comply with a legal obligation owed to a person that is not an Senior Obligor, (iii) if the Senior Borrower (or the Hotel Manager for the affected hotel) determines that such closure is required in the interests of public health or safety, (iv) for the purpose of carrying out a Permitted Capex Project, or (v) by the Hotel Manager in accordance with the Hotel Management Agreement by reason of a force majeure event. The Senior Obligor must take all reasonable steps to minimise the period of any closure of a hotel.

Senior Loan Events of Default

The following constitute **Senior Loan Events of Default** pursuant to the Senior Facility Agreement:

- (a) *Non-payment*: failure to pay by any Senior Obligor on the due date an amount then due and payable under the Senior Finance Documents to which it is a party at the place at and in the currency in which it is expressed to be payable unless its failure to pay is caused by:
 - (A) administrative or technical error in the transmission of funds and such failure to pay is remedied within three Business Days of its due date; or
 - (B) the Senior Facility Agent failing to make a payment or transfer out of the Collection Accounts in accordance with the provisions of the Senior Facility Agreement in circumstances where the Collection Accounts contained sufficient funds to make all payments due and payable under the Senior Finance Documents on such date, in accordance with the Senior Finance Documents, including as set out under the heading “—*Bank Accounts—Account Segregation Notice*”;
- (b) *Financial covenants*: breach by any Senior Obligor of the financial covenants unless cured pursuant to an equity cure as described above;
- (c) *Breach of certain other obligations*: breach by a Senior Obligor of the provisions of the Senior Facility Agreement relating to conditions subsequent, hedging, provision and contents of the compliance certificate, merger, negative pledge, disposals, financial indebtedness, asset management agreements, valuation, headlease and certain provisions relating to anti-corruption laws and sanctions and insurance;
- (d) *Other obligations*: breach by a Senior Obligor of the provisions of the Senior Finance Documents (other than those referred to in paragraphs (a), (b) and (c) above), subject to a grace period of 21 days of the earlier of (i) the Senior Facility Agent giving notice to Senior PledgeCo of such failure and (ii) any Senior Obligor becoming aware of the failure to comply;
- (e) *Misrepresentation*: any representation or statement made or deemed to be made by a Senior Obligor in the Senior Finance Documents, any Hedge Document or in any other document delivered by or on behalf of any Senior Obligor under or in connection with any Senior Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made by reference to the facts and circumstances then existing unless the failure to comply is capable of remedy and is remedied within 21 days of the earlier of (i) the Senior Facility Agent giving notice to Senior PledgeCo of such failure and (ii) any Senior Obligor becoming aware of the failure to comply;
- (f) *Cross-default*: (i) any Financial Indebtedness of any Senior Obligor is not paid when due after the expiry of any originally applicable grace period, (ii) any Financial Indebtedness of any Senior Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), (iii) any commitment for any Financial Indebtedness of any Senior Obligor is cancelled or suspended by a creditor of any Senior Obligor as a result of an event of default (however described), (iv) any creditor of any Senior Obligor becomes entitled to declare any Financial Indebtedness of any Senior Obligor due and payable prior to its specified maturity as a result of an event of default (however described), unless (in each case) the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness is less than £100,000 or its equivalent in any other currency or currencies, or (v) the relevant Event of Default that would otherwise occur would occur solely due to the occurrence of an Event of Default (under and as defined in the Mezzanine Facility Agreement);

- (g) *Insolvency*: (i) any Senior Obligor is or is deemed unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts or insolvent under applicable law, ceases or suspends making payments on any of its debts or announces any intention to do so (or is so deemed for the purposes of any law applicable to it) or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (other than any Senior Finance Party) with a view to rescheduling any of its indebtedness, or (ii) any Senior Obligor's indebtedness is subject to a moratorium;
- (h) *Insolvency proceedings*: a Senior Obligor is subject to any corporate action, legal proceedings or other procedure or step in relation to: (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or insolvent reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise); (ii) a composition, compromise, assignment, assignation, trust or arrangement with any creditor (other than any Senior Finance Party) for reasons of that Senior Obligor's financial difficulty; (iii) the appointment of a provisional liquidator, liquidator, receiver, administrative receiver, administrator, compulsory or interim manager or other similar officer in respect of any Senior Obligor or any of its assets; (iv) enforcement of any Security over any assets of any Senior Obligor or (v) any analogous procedure or step in respect of an Senior Obligor is taken in any jurisdiction (in each case except for proceedings or actions which are frivolous or vexatious and contested in good faith and discharged, stayed, recalled or dismissed within 21 days of commencement);
- (i) *Creditors' process*: any expropriation, conservatory or executory seizure or attachment, sequestration, distress, diligence or execution (including by way of executory attachment or interlocutory attachment or any analogous process in any jurisdiction) (each a **Creditors' Process**) affects any asset or assets of an Senior Obligor and such Creditors' Process has (when aggregated with the value of each other Creditors' Process outstanding at that time) an aggregate value in excess of £100,000 (or its equivalent in other currencies) and is not discharged, stayed or dismissed within 21 days of commencement;
- (j) *Unlawfulness and invalidity*: (i) it is or becomes unlawful for any party (other than any Senior Finance Party) to perform any of its obligations under the Senior Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents to which it is a party ceases to be effective or is or becomes unlawful, (ii) any material obligation or material obligations of any party (other than any Senior Finance Party) under any Senior Finance Document to which it is a party is or are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Senior Finance Parties under the Senior Finance Documents or (iii) any Senior Finance Document ceases to be in full force and effect or any Transaction Security becomes unlawful or ineffective or is alleged by a party to it (other than a Senior Finance Party) to be ineffective or, subject to the Senior Loan Legal Reservations, ceases to be legal, valid, binding or enforceable;
- (k) *Repudiation*: any Senior Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Senior Finance Document to which it is a party or any of the Transaction Security to which it is a party or evidences an intention to rescind or repudiate a Senior Finance Document or any Transaction Security to which it is a party;
- (l) *Cessation of business*: any Senior Obligor ceases (or threatens to cease) to carry on all or a substantial part of its business;
- (m) *Litigation*: any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes (including, without limitation any Environmental Claim, any claim in relation to taxes and any adverse claims by any person in respect of the ownership of the Property or any interest in it) are commenced or threatened against any

Senior Obligor or its assets which is reasonably likely to be adversely determined against that Senior Obligor or its assets and if so adversely determined would have a Material Adverse Effect;

- (n) *Compulsory purchase*: any Expropriation occurs and such Expropriation would have a Material Adverse Effect (taking into account, for these purposes, the insurance policy relating to the Property and/or any prepayment of the Senior Loans made or to be made in connection with such Expropriation);
- (o) *Major damage*: any part of the Property is destroyed or damaged (each a **Major Damage**) and such destruction or damage would have a Material Adverse Effect (taking into account, for these purposes, the insurance policy relating to the Property, any Permitted Capex Project which is necessary to ensure that no Major Damage occurs (which can be funded from amounts standing to the credit of the General Accounts and any Excluded Insurance Proceeds that the relevant insurer has committed to advance under any insurance policy) which has been contracted and/or any prepayment of the Senior Loans made or to be made in connection with such Major Damage);
- (p) *Material adverse change*: any event or circumstance occurs which has a Material Adverse Effect; and
- (q) *Hotel Management Agreements*: a Hotel Management Agreement is terminated without the Senior Facility Agent's consent, unless (a) a Qualified Manager is appointed under a New Hotel Management Agreement or (b) a Permitted Property Disposal is contracted in respect of the relevant Property, in each case, within 60 days of such termination.

Any Senior Loan Event of Default and any event which would be (with the expiry of any grace period, the giving of notice or the making of any determination under the Senior Finance Documents or any combination of them) a Senior Loan Event of Default are both referred to as a **Potential Senior Loan Event of Default**.

Acceleration

The Senior Facility Agreement provides that if a Senior Loan Event of Default is continuing, the Senior Facility Agent may, and must do so if instructed by the Majority Senior Lenders, by notice to Senior PledgeCo: (i) cancel the total commitments under the Senior Facility Agreement whereupon they shall immediately be cancelled and any fees payable under the Senior Finance Documents in connection with the commitments shall be immediately due and payable, (ii) declare that all or part of the Senior Loans, together with accrued interest, and all other amounts accrued or outstanding under the Senior Finance Documents be immediately due and payable, at which time they shall become immediately due and payable, (iii) declare that all or part of the Senior Loans be payable on demand, whereupon they shall immediately become payable on demand by the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders), (iv) enforce or direct the Common Security Agent to enforce the Transaction Security or exercise any or all of its rights, remedies, powers or discretions under any of the Senior Finance Documents, and/or provide an estimate, made in good faith, of any amount which, in its reasonable opinion, is likely to become due and payable from any Senior Obligor pursuant to any guarantee or indemnity given under Senior Facility Agreement and declare that amount to be immediately due and payable or to be payable on demand, at which time such sum shall become immediately due and payable or, as the case may be, payable on demand.

Partial payments and Recovery Proceeds

If the Senior Facility Agent receives a payment (a **Payment**) for application against amounts due in respect of any Senior Finance Documents that is insufficient to discharge all the amounts then due and payable by a Senior Obligor under those Senior Finance Documents, the Senior Facility Agent shall apply that Payment towards the obligations of that Senior Obligor under those Senior Finance Documents in the following order (and in parallel, to the extent EUR Payments and GBP Payments are applied at the same time):

(A) in the case of a EUR Payment, subject to paragraph (b) below:

Relevant Common Security Agent Expenses:

A. *first*, payment *pro rata* and *pari passu* of:

- (i) any unpaid Relevant Common Security Agent Expenses which are EUR Expenses;
- (ii) an amount equal to the aggregate equivalent amount of any EUR Expenses previously paid under paragraph (a)(ii)(B) below less the aggregate equivalent amount of any payments previously made under this paragraph (a)(i)(A)(ii), towards payment of the GBP Secured Liabilities in the order set out in paragraph (ii) below;

B. *secondly*, payment *pro rata* of any unpaid Relevant Common Security Agent Expenses which are GBP Expenses;

Relevant Senior Creditor Expenses:

C. *thirdly*, payment *pro rata* and *pari passu* of:

- (i) any unpaid Relevant Senior Creditor Expenses which are EUR Expenses; and
- (ii) an amount equal to the aggregate equivalent amount of any EUR Expenses previously paid under paragraph (a)(ii)(D) below less the aggregate equivalent amount of any payments previously made under this paragraph (a)(i)(C)(ii), towards payment of the GBP Secured Liabilities in the order set out in paragraph (ii) below;

D. *fourthly*, payment *pro rata* of any unpaid Relevant Senior Creditor Expenses which are GBP Expenses;

Senior Facility Agent and Mandated Lead Arranger other expenses:

E. *fifthly*, payment *pro rata* and *pari passu* of:

- (i) any other unpaid EUR Expenses due to the Senior Facility Agent and the Mandated Lead Arranger under the Senior Finance Documents; and
- (ii) an amount equal to the aggregate equivalent amount of any EUR Expenses previously paid under paragraph (a)(ii)(F) below less the aggregate equivalent amount of any payments previously made under this paragraph (a)(i)(E)(ii), towards payment of the GBP Secured Liabilities in the order set out in paragraph (ii) below;

F. *sixthly*, payment *pro rata* of any other unpaid GBP Expenses due to the Senior Facility Agent and the Mandated Lead Arranger under the Senior Finance Documents;

Senior Lenders' other expenses:

- G. *seventhly*, payment *pro rata* and *pari passu* of:
- (i) any unpaid EUR Expenses due to the Senior Finance Parties (other than the Common Security Agent, any receiver or any Delegate, the Senior Facility Agent and the Mandated Lead Arranger) under the Senior Finance Documents; and
 - (ii) an amount equal to the aggregate equivalent amount of any EUR Expenses previously paid under paragraph (a)(ii)(D) below less the aggregate equivalent amount of any payments previously made under this paragraph (a)(i)(C)(ii), towards payment of the GBP Secured Liabilities in the order set out in paragraph (ii) below;
- H. *eighthly*, payment *pro rata* of any unpaid GBP Expenses due to the Senior Finance Parties (other than the Common Security Agent, any receiver or any Delegate, the Senior Facility Agent and the Mandated Lead Arranger) under the Senior Finance Documents;

Interest:

- I. *ninthly*, in or towards payment *pro rata* of all accrued interest in respect of the Senior EUR Loan due and payable to the Senior Lenders under the Senior Finance Documents;

Principal:

- J. *tenthly*, in or towards payment *pro rata* of principal in respect of the Senior GBP Loan to the extent due and payable to the Senior Lenders;

GBP Secured Liabilities:

- K. *eleventhly*, payment of the GBP Secured Liabilities in the order set out in paragraph (ii) below;

Other Secured Liabilities:

- L. *twelfthly*, payment of all other unpaid Senior Secured Liabilities *pro rata* to the relevant Senior Finance Parties to which such Senior Secured Liabilities are owed; and

Obligors:

- M. *thirteenthly*, to the relevant Senior Obligor; and
- (B) in the case of a GBP Payment, subject to paragraph (b) below:

Relevant Common Security Agent Expenses:

- A. *first*, payment *pro rata* and *pari passu* of:
- (i) any unpaid Relevant Common Security Agent Expenses which are GBP Expenses;
 - (ii) an amount equal to the amount of any GBP Expenses previously paid under paragraph (a)(i)(B) above less the aggregate amount of any payments previously made under this paragraph (a)(ii)(A)(ii), towards payment of the EUR Secured Liabilities in the order set out in paragraph (i) above;

- B. *secondly*, payment pro rata of any unpaid Relevant Common Security Agent Expenses which are EUR Expenses;

Relevant Senior Creditor Expenses:

- C. *thirdly*, payment *pro rata* and *pari passu* of:
- (i) any unpaid Relevant Senior Creditor Expenses which are GBP Expenses; and
 - (ii) an amount equal to the aggregate amount of any GBP Expenses previously paid under paragraph (a)(i)(D) above less the aggregate amount of any payments previously made under this paragraph (a)(ii)(C)(ii), towards payment of the EUR Secured Liabilities in the order set out in paragraph (i) above;
- D. *fourthly*, payment *pro rata* of any unpaid Relevant Senior Creditor Expenses which are EUR Expenses;

Senior Facility Agent and Mandated Lead Arranger other expenses:

- E. *fifthly*, payment *pro rata* and *pari passu* of:
- (i) any other unpaid GBP Expenses due to the Senior Facility Agent and the Mandated Lead Arranger under the Senior Finance Documents; and
 - (ii) an amount equal to the aggregate amount of any GBP Expenses previously paid under paragraph (a)(i)(F) above less the aggregate amount of any payments previously made under this paragraph (a)(ii)(E)(ii), towards payment of the EUR Secured Liabilities in the order set out in paragraph (i) above;
- F. *sixthly*, payment *pro rata* of any other unpaid EUR Expenses due to the Senior Facility Agent and the Mandated Lead Arranger under the Senior Finance Documents;

Senior Lenders' other expenses:

- G. *seventhly*, payment *pro rata* and *pari passu* of:
- (i) any unpaid GBP Expenses due to the Senior Finance Parties (other than the Common Security Agent, any receiver or any Delegate, the Senior Facility Agent and the Mandated Lead Arranger) under the Senior Finance Documents; and
 - (ii) an amount equal to the amount of any GBP Expenses previously paid under paragraph (a)(i)(D) above less the aggregate amount of any payments previously made under this paragraph (a)(ii)(C)(ii), towards payment of the EUR Secured Liabilities in the order set out in paragraph (i) above;
- H. *eighthly*, payment *pro rata* of any unpaid EUR Expenses due to the Senior Finance Parties (other than the Common Security Agent, any receiver or any Delegate, the Senior Facility Agent and the Mandated Lead Arranger) under the Senior Finance Documents;

Interest:

- I. *ninthly*, in or towards payment pro rata of all accrued interest in respect of the Senior GBP Loan due and payable to the Senior Lenders under the Senior Finance Documents;

Principal:

- J. *tenthly*, in or towards payment *pro rata* of principal in respect of the Senior GBP Loan to the extent due and payable to the Senior Lenders;

EUR Secured Liabilities:

- K. *eleventhly*, payment of the EUR Secured Liabilities in the order set out in paragraph (i) above;

Other Secured Liabilities:

- L. *twelfthly*, payment of all other unpaid Senior Secured Liabilities *pro rata* to the relevant Senior Finance Parties to which such Senior Secured Liabilities are owed; and

Obligors:

- M. *thirteenthly*, to the relevant Senior Obligor.

For the purpose of calculating any person's share of any sum payable to or by it, the Senior Facility Agent shall be entitled to notionally convert the Senior Secured Liabilities owed to any person into the Base Currency, that notional conversion to be made at the Spot Rate of Exchange.

EUR Allocated Expenses means costs, fees and expenses due to the Common Security Agent (including any due to any receiver or Delegate), the Senior Facility Agent, the Mandated Lead Arranger or any other Senior Finance Party under the Senior Finance Documents which, as determined by the Senior Facility Agent in its absolute discretion, are incurred in relation to, or attributable to, the Dutch Property, the Dutch Obligor or the Senior EUR Loan.

EUR Allocated Payment means the portion of a Payment originating from the Dutch Obligor or the Dutch Property, whether made out of a Control Account maintained by the Dutch Obligor representing the proceeds of sale of the Dutch Property (whether or not as a result of an enforcement) or otherwise.

EUR Expenses means EUR Allocated Expenses and EUR Unallocated Expenses.

EUR Payment means, in respect of a Payment, the relevant EUR Allocated Payment and relevant EUR Unallocated Payment.

EUR Secured Liabilities means Senior Secured Liabilities under or in respect of (as determined by the Senior Facility Agent in its absolute discretion) the Senior EUR Loan.

EUR Unallocated Expenses means the amount which is equal to the amount of unpaid Unallocated Expenses multiplied by the ratio (expressed as a percentage) of the Senior EUR Loan to the aggregate of the Senior EUR Loan and Senior GBP Loan.

EUR Unallocated Payment means, in respect of an Unallocated Payment, the amount which, if applied in prepayment of the Senior EUR Loan, and taking into account the application of the corresponding GBP Unallocated Payment, would result in, as far as possible, Equivalent LTVs.

GBP Allocated Expenses means costs, fees and expenses due to the Common Security Agent (including any due to any receiver or Delegate), the Senior Facility Agent, the Mandated Lead Arranger or any other Senior Finance Party under the Senior Finance Documents which, as determined by the Senior Facility Agent in its absolute discretion, are incurred in relation to, or attributable to, a UK Property, an Additional Senior Borrower or the Senior GBP Loan.

GBP Allocated Payment means the portion of a Payment originating from an Additional Senior Borrower or a UK Property, whether:

- (i) made out of a Control Account maintained by an Additional Senior Borrower;
- (ii) made out of Senior PledgeCo's Cash Trap Account or the Senior PledgeCo's Senior Prepayment Account;
- (iii) representing the proceeds of sale of a UK Property (whether or not as a result of an enforcement); or
- (iv) otherwise.

GBP Expenses means GBP Allocated Expenses and GBP Unallocated Expenses.

GBP Payment means, in respect of a Payment, the relevant GBP Allocated Payment and relevant GBP Unallocated Payment.

GBP Secured Liabilities means Senior Secured Liabilities under or in respect of (as determined by the Senior Facility Agent in its absolute discretion) the Senior EUR Loan.

GBP Unallocated Expenses means the amount which is equal to the amount of Unallocated Expenses multiplied by the ratio (expressed as a percentage) of the Senior EUR Loan to the aggregate of the Senior EUR Loan and Senior GBP Loan.

GBP Unallocated Payment means, in respect of an Unallocated Payment, the amount which is equal to the amount of the relevant Unallocated Payment which, if applied in prepayment of the Senior GBP Loan, and taking into account the application of the corresponding EUR Unallocated Payment, would result in, as far as possible, Equivalent LTVs.

Unallocated Expenses means costs, fees and expenses due to the Common Security Agent (including any due to any receiver or Delegate), the Senior Facility Agent, the Mandated Lead Arranger or any other Senior Finance Party under the Senior Finance Documents which are neither EUR Allocated Expenses nor GBP Allocated Expenses.

Unallocated Payment means a Payment, or the portion of a Payment, which is not a GBP Allocated Payment or a EUR Allocated Payment, including any payment made out of Senior PledgeCo's General Account (whether or not as a result of an enforcement) or otherwise.

Amendments and waivers

Subject to the below, any term of the Senior Finance Documents may be amended or waived only with the consent of the Majority Senior Lenders and Senior PledgeCo and any such amendment or waiver will be binding on all parties to the Senior Facility Agreement. The Senior Facility Agent may effect, on behalf of any Senior Finance Party, any amendment or waiver permitted below and Senior PledgeCo may effect, as agent of each Senior Obligor, any amendment or waiver permitted as below.

The Senior Facility Agreement provides that any amendment or waiver that has the effect of changing or which relates to:

- (a) any change to the definition of Majority Senior Lenders in the Senior Facility Agreement;
- (b) an extension to the date of payment of any amount under the Senior Finance Documents (other than the extension of the Initial Senior Loan Repayment Date to the First Extended Senior Loan Maturity Date or the Second Extended Senior Loan Maturity Date in accordance with the terms of the Senior Finance Documents);

- (c) any release of any Senior Obligor from any Transaction Security or any guarantee except as expressly contemplated by the Senior Finance Documents;
- (d) (other than as expressly permitted by the provisions of any Senior Finance Document) a change to the Senior Borrowers or Senior Guarantors other than in accordance with the Senior Facility Agreement;
- (e) a reduction in the margin on a Senior Loan or a reduction in the amount of any payment of principal pursuant to the repayment provisions of the Senior Facility Agreement, interest, fees or commission payable;
- (f) an increase in, or an extension of, any commitment or the total commitments (other than the extension of the Initial Senior Loan Repayment Date to the First Extended Senior Loan Maturity Date or Second Extended Senior Loan Maturity Date in accordance with the terms of the Senior Finance Documents);
- (g) any provision which expressly requires the consent of all the Senior Lenders;
- (h) the provision of the Senior Facility Agreement relating to the Senior Finance Parties' rights and obligations or the provision of the Senior Facility Agreement relating to amendments and waivers;
- (i) (except as expressly contemplated by the Senior Finance Documents) the nature or scope of: (i) the guarantee and indemnity granted under the Senior Facility Agreement, (ii) all of the assets of the members of the Senior Group and from time to time are, or are expressed to be, the subject of the Common Security (the **Charged Property**) (except insofar as it relates to a disposal of an asset which is the subject of the Transaction Security where such disposal is expressly permitted by the provisions of any Senior Finance Document), or (iii) the manner in which the proceeds of enforcement of the Transaction Security are distributed,
- (j) (other than as expressly permitted by the provisions of any Senior Finance Document) the release of any guarantee and indemnity granted under the Senior Facility Agreement or of any Transaction Security, or
- (k) any amendment to the order of priority or the order of distribution of proceeds in the event of enforcement of Security set out in the Senior Facility Agreement,

shall not be made without the prior consent of all the Senior Lenders.

In addition, an amendment or waiver which relates to the rights or obligations of the Senior Facility Agent, the Common Security Agent or the Mandated Lead Arranger may not be effected without the consent of the Senior Facility Agent, the Common Security Agent or the Mandated Lead Arranger (each acting in those respective capacities and not on the instruction of the Senior Lenders), as the case may be.

For the avoidance of doubt:

- (i) to the extent otherwise prohibited under the Senior Finance Documents, any prepayment of any amounts under the Senior Facility Agreement in whole or in part shall only require the consent of the Majority Senior Lenders;
- (ii) no amendment or waiver of a term of any fee letter shall require the consent of any person other than any such person which is party to that fee letter;

- (iii) a Senior Loan Event of Default or Potential Senior Loan Event of Default may be waived with the consent of the Majority Senior Lenders; and
- (iv) without prejudice to the Senior Facility Agent's discretion to refrain from taking action without instructions from the Majority Senior Lenders, any term of the Senior Finance Documents may be amended or waived by Senior PledgeCo and the Senior Facility Agent without the consent of any other party to the Senior Facility Agreement if that amendment or waiver is:
 - (A) to cure defects or omissions, resolve ambiguities or inconsistencies or reflect changes of a minor, technical or administrative nature;
 - (B) otherwise for the benefit of all or any of the Senior Lenders.

If a Senior Lender does not accept or rejects a request from Senior PledgeCo (or the Senior Facility Agent on behalf of Senior PledgeCo) for any consent, amendment, release or waiver under the Senior Finance Documents before the later of:

- (i) 5.00 p.m. London time on the date falling ten Business Days from the date of such request being made (unless any other period of time is specified by Senior PledgeCo with the prior agreement of the Senior Facility Agent); and
- (ii) the time for Senior Lenders to respond as specified in that request,

that Senior Lender's participations and commitments shall not be included when considering whether the consent of the Majority Senior Lenders or all Senior Lenders (as applicable) has been obtained in respect of that request, amendment, release or waiver.

For so long as a Senior Lender is a Defaulting Lender, unless otherwise agreed with Senior PledgeCo, that Senior Lender's participations and commitments shall not be included when considering whether the approval of the Majority Senior Lenders, all Senior Lenders or any other class of Senior Lenders (as applicable) has been obtained in respect of any request from any member of the Senior Group (or the Senior Facility Agent on behalf of any member of the Senior Group or otherwise) for any consents, amendment, release, instruction or waiver under any of the Senior Finance Documents. A **Defaulting Lender** is (a) a Senior Lender which has failed to make its participation in a Senior Loan available (or has notified the Senior Facility Agent or Senior PledgeCo (which has notified the Senior Facility Agent) that it will not make its participation in a Senior Loan available) by the Utilisation Date of that Senior Loan in accordance with the Senior Facility Agreement; (b) a Senior Lender which has rescinded or repudiated a Senior Finance Document; and/or (c) a Senior Lender with respect to which an Insolvency Event has occurred.

Debt Purchases by Investor Affiliates

No member of the Senior Group may (a) acquire (including by way of sub-participation) any commitments or any portion of the Senior Loans, or (b) beneficially own all or part of any person that is a Senior Lender or which acquires (including by way of sub-participation) any commitments or any portion of the Senior Loans.

Investor Affiliates are not prohibited from acquiring commitments or a portion of the Senior Loans, or an interest through sub-participation or a similar arrangement, but, if they do so, they are "disenfranchised" and are not permitted to exercise voting rights in respect of the commitments or Senior Loans held by it, receive any tax gross up or increased costs indemnity, attend or participate in meetings or conference calls organised by the Senior Finance Parties or receive any communication or document for the benefit of the Senior Lenders (other than of an administrative nature). The Senior Lenders are obliged to notify the Senior Facility Agent if they enter into a debt purchase transaction with an Investor Affiliate or if such a transaction is terminated or ceases to be with an Investor Affiliate.

THE MEZZANINE FACILITY AGREEMENT

The Mezzanine Facility Agreement is governed by English law. The principal terms (other than obligors, facility amounts, margin and fees) of the Mezzanine Facility Agreement are similar to the principal terms of the Senior Facility Agreement. Certain principal terms of the Mezzanine Facility Agreement which differ from the principal terms of the Senior Facility Agreement are summarised below.

Purpose and application

The Mezzanine Borrower undertook to apply all amounts borrowed under the Mezzanine Facility Agreement in or towards refinancing indebtedness of the mezzanine group (including, without limitation, accrued interest, hedge terminations costs, break costs, prepayment fees and any other fees, costs and expenses in relation thereto) and financing or refinancing of all fees, costs and expenses and stamp, transfer, registration, notarial and other taxes incurred by a member of the mezzanine group directly or indirectly in connection with the Mezzanine Finance Documents.

Mezzanine Loan amount and drawdown

The maximum amount of borrowing under the Mezzanine Facility Agreement was: (i) £75,549,000 under the Mezzanine GBP Loan and (ii) €30,942,000 under the Mezzanine EUR Loan, which was drawn in full on the utilisation date and the Mezzanine Facility Agreement does not place an obligation on the Mezzanine Lenders to make any further advances to the Mezzanine Borrower.

Payment of interest

Under the Mezzanine Facility Agreement, the Mezzanine Borrower must pay accrued interest on Mezzanine Loans made to it on each Mezzanine Loan Interest Payment Date.

The rate of interest on each Mezzanine Loan for each interest period determined in accordance with the Mezzanine Facility Agreement is the percentage rate per annum which is the aggregate of (i) 6.195 per cent. per annum and (ii) in the case of the Mezzanine GBP Loan, LIBOR calculated for the Mezzanine Loan in accordance with the Mezzanine Facility Agreement (**Mezzanine Loan LIBOR**) and the Mezzanine EUR Loan, EURIBOR calculated for the Mezzanine Loan in accordance with the Mezzanine Facility Agreement (**Mezzanine Loan EURIBOR**). If any rate used to calculate Mezzanine Loan LIBOR and/or Mezzanine Loan EURIBOR is below zero, Mezzanine Loan LIBOR and/or Mezzanine Loan EURIBOR will be deemed to be zero.

Repayment and extension

The Final Mezzanine Loan Repayment Date, and the extended repayment dates if the option to extend is exercised, fall four days after the corresponding repayment dates under the Senior Facility Agreement.

The extension of the Mezzanine Loans will be subject to the extension of the Senior Loans and vice versa.

Prepayments

Mandatory prepayment

The Mezzanine Facility Agreement provides that the Mezzanine Obligor must apply the following amounts in prepayment of the Mezzanine Loans at the time and in the order of application as set out below:

- (a) Mezzanine Permitted Property Disposal Prepayment Proceeds;
- (b) Expropriation Proceeds, in an amount equal to the amount not paid to the Senior Prepayment Account;
- (c) Insurance Proceeds, in an amount equal to the amount not paid to the Senior Prepayment Account; and
- (d) Recovery Proceeds, in an amount equal to the amount not paid to the Senior Prepayment Account.

Mezzanine Permitted Property Disposal Prepayment Proceeds means, in respect of a Permitted Property Disposal, 115% of the Mezzanine Allocated Loan Amount in respect of such Property (the **Mezzanine Release Price**) in respect of the Property the subject of that Permitted Property Disposal and any amounts that will become due and payable pursuant to the Mezzanine Facility Agreement in connection with the prepayment of the relevant Mezzanine Release Price.

The prepayments described above under “—*Mandatory Prepayments*” must be made, at the option of the Mezzanine Obligors, either (i) on the next Mezzanine Loan Interest Payment Date, or (ii) on an earlier date if the Mezzanine Holdco so elects by notice in writing to the Mezzanine Facility Agent no less than 5 Business Days prior to the proposed prepayment date. Any amount so applied in prepayment which is attributable to a particular Property will be applied first (A) in an amount equal to 100 per cent. of the Mezzanine Allocated Loan Amount for the relevant Property, where the proceeds are attributable to the Dutch Property, against the Mezzanine EUR Loan and, otherwise, against the Mezzanine GBP Loan, and thereafter (B) in an amount equal to, in relation to a disposal of a Property and on any date, an amount equal to the Mezzanine Permitted Property Disposal Prepayment Proceeds under paragraph (a) of that definition in respect of that disposal minus the Mezzanine Allocated Loan Amount of that Property on that date (the **Mezzanine ALA Excess**) against the Mezzanine Loans on a *pro rata* basis. Any amount of Recovery Proceeds so applied in prepayment which are not attributable to a particular Property will be applied against the Mezzanine Loans on a *pro rata* basis.

On the date on which any Mezzanine Loan is, in whole or in part, repaid or prepaid in accordance with the Mezzanine Facility Agreement by the Mezzanine Borrower the Mezzanine Allocated Loan Amount for each Property shall be reduced: (i) in the case of a repayment or a prepayment made other than as a consequence of a Permitted Property Disposal, by a pro-rated proportion of the principal amount of the Mezzanine Loans repaid or prepaid and (ii) in the case of a prepayment made as a consequence of a Permitted Property Disposal, by a pro-rated proportion of the share of the Mezzanine ALA Excess applied in prepayment of that Mezzanine Loan.

If the Senior Borrowers make a voluntary repayment of the Senior Loans pursuant to the Senior Facility Agreement (other than in the exercise of a right to prepay an individual lender), the Mezzanine Borrower shall make a prepayment of the Mezzanine Loans in an amount equal to the same proportion of the principal amount of the Mezzanine Loans as the proportion of the Senior Loans then prepaid.

Financial covenants

Scope of Mezzanine Financial Covenants

Each Mezzanine Obligor is required to ensure compliance with the following financial covenants:

- (a) on each LTV Ratio Test Date, that the Senior/Mezzanine LTV Ratio does not exceed 87.5 per cent. (the **Senior/Mezzanine LTV Test**); and

- (b) on each ICR Test Date, that the Senior/Mezzanine ICR is not less than 1.00:1 (the **Senior/Mezzanine ICR Test**).

Senior/Mezzanine ICR means, on any Senior Interest Payment Date, the ratio of (a) Trailing 12-Month Net Operating Income in respect of the Relevant Period ending on the Financial Quarter Date falling immediately prior to that Senior Loan Interest Payment Date, to (b) the Senior/Mezzanine Projected Interest Costs on that Senior Loan Interest Payment Date.

Senior/Mezzanine LTV Ratio means, on any date, the proportion expressed as a percentage which total net debt bears to the Base Currency Amount of the aggregate market value of the Properties (other than any ancillary property) on that date calculated by reference to the then most recent Valuation.

Test dates for Mezzanine Financial Covenants

- (a) LTV Ratio Test Date means each Senior Loan Interest Payment Date falling after the first Valuation Date; and
- (b) ICR Test Date means each Senior Loan Interest Payment Date.

Cure rights

Mezzanine Holdco will have the right to cure an unsatisfied financial covenant described under “—*Financial Covenants—Scope of Mezzanine Financial Covenants*” above as follows:

- (i) if the Senior/Mezzanine LTV Test is not satisfied on a LTV Ratio Test Date, Mezzanine Holdco may within 20 Business Days of that LTV Ratio Test Date, procure the prepayment of the Senior Loans (or, on and from the Senior Discharge Date, the Mezzanine Loans) or the deposit of an amount in the Equity Cure Accounts sufficient (but not more than the amount required) to ensure that when taking into account such prepayment or deposit in the calculation of the Senior/Mezzanine LTV Test the requirements for the Senior/Mezzanine LTV Test would be met; and
- (ii) if the Senior/Mezzanine ICR Test is not satisfied on an ICR Test Date, the Mezzanine Lenders may within 20 Business Days of that ICR Test Date, procure the prepayment of the Senior Loans (or, on and from the Senior Discharge Date, the Mezzanine Loans) or the deposit of an amount into the Equity Cure Accounts sufficient (but not more than the amount required) to ensure that if such amount had been prepaid on the first day of the Relevant Period commencing on the Financial Quarter Date falling immediately prior to that ICR Test Date the requirements for the Senior/Mezzanine ICR Test would be met.

Upon such prepayment or deposit of an Equity Cure Amount as described in paragraphs (i) and (ii) above, the relevant financial covenant shall be deemed to have been satisfied as at the relevant date for all purposes under the Mezzanine Finance Documents.

Cure rights are also available under the Senior Facility Agreement as described in the section titled “—*The Senior Facility Agreement—Cure Rights*”. The cure rights specified in paragraphs (i) and (ii) above and in paragraphs (i) and (ii) under “—*The Senior Facility Agreement—Cure Rights*” may not be exercised in respect of more than two consecutive Mezzanine Loan Interest Payment Dates or Senior Loan Interest Payment Dates. For this purpose, each Mezzanine Loan Interest Payment Date and the immediately following Senior Loan Interest Payment Date shall be deemed to occur on the same date.

The cure rights specified in paragraphs (i) and (ii) above and in paragraphs (i) and (ii) under “—*The Senior Facility Agreement—Cure Rights*” may only be exercised a maximum of four times in aggregate. For this purpose, each Senior Loan Interest Payment Date and the immediately following Mezzanine Loan Interest Payment Date shall be treated as one and the same, so that any exercise of cure rights affecting either or both of a Senior Loan Interest Payment Date and the immediately following Mezzanine Loan Interest Payment Date shall be treated as one exercise of cure rights.

The Mezzanine Lenders will retain the right to make one Cure Payment in circumstances where the Mezzanine Lenders have not yet made a Cure Payment and the Senior Obligors have made four Cure Payments.

See “—*The Senior Facility Agreement—Cure Rights*” for further information.

Mezzanine Loan Event of Default

The definition of “Mezzanine Finance Document” in the Mezzanine Facility Agreement (as set out below) includes the “Senior Finance Documents” and a Senior Loan Event of Default under the Senior Facility Agreement triggers a cross-default to the Mezzanine Facility Agreement.

Mezzanine Finance Documents include: (a) the Mezzanine Facility Agreement; (b) the Intercreditor Agreement and any Intercreditor Agreement accession agreement; (c) each Bank Direct Agreement; (d) each transfer or assignment agreement substantially in the form set out in the Mezzanine Facility Agreement; (e) each utilisation request under the Mezzanine Facility Agreement; (f) the side letter related to various due diligence reports delivered in connection with the mezzanine transaction; (g) any Mezzanine Extension Notice; (h) each Transaction Security Document; (i) each Mezzanine Transaction Security Document; (j) each Senior Finance Document; and (k) any other document designated as a “Finance Document” by the Mezzanine Facility Agent and the Mezzanine Holdco.

Sale of the Mezzanine Loans

On 22 December 2014, JPMorgan Chase Bank, N.A., London Branch, as the Original Mezzanine Lender, sold 100 per cent. of its interest in the Mezzanine Loans to Mint Mezzanine 2014 Limited (the **Mint Mezzanine Issuer**). The Mint Mezzanine Issuer financed the purchase of 100 per cent. of the Mezzanine Loans through the issue of notes (due 2018) which are, as at the date of this Prospectus, listed on the Global Exchange Market of the Irish Stock Exchange.

The **Mezzanine Lenders** include the Mint Mezzanine Issuer and any person, bank, financial institution, trust, fund, special purpose company or other entity which becomes a party as a lender to the Mezzanine Facility Agreement.

DESCRIPTION OF THE INTERCREDITOR AGREEMENT

An intercreditor agreement (the **Intercreditor Agreement**) was entered into between, *inter alios*, the Loan Seller (as Senior Lender), the Original Mezzanine Lender, the Subordinated Creditors and the Debtors on 12 December 2014. The Mint Mezzanine Issuer (as a Mezzanine Lender) acceded to the Intercreditor Agreement on 16 January 2015. The Intercreditor Agreement was amended and restated on 3 June 2015. In connection with the acquisition of the Securitised Loans, the Issuer will accede to the Intercreditor Agreement as a Senior Lender on the Closing Date. The Intercreditor Agreement governs the interrelationship between the Senior Lenders (including the Issuer, once it accedes to the Intercreditor Agreement), the Mezzanine Lenders and the Subordinated Creditors.

Common Insolvency Event means in relation to any member of the Larger Group:

- (a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of that member of the Larger Group, a moratorium is declared in relation to any indebtedness of that member of the Larger Group or an administrator is appointed to that member of the Larger Group;
- (b) any composition, compromise, assignment or arrangement is made with any of its creditors;
- (c) the appointment of any liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that member of the Larger Group or any of its assets; or
- (d) any analogous procedure or step is taken in any jurisdiction.

Covenant Breach Cure Payment means any payment of an Equity Cure Amount by the Mezzanine Lenders (taking effect as a Mezzanine Loan).

Creditor means each Primary Creditor and each Subordinated Creditor.

Cure Payment means a Payment Default Cure Payment or a Covenant Breach Cure Payment.

Debt Document means each of the Intercreditor Agreement, the Senior Finance Documents, the Mezzanine Finance Documents, the Transaction Security Documents, any agreement evidencing the terms of any Subordinated Liabilities and any other document designated as such by:

- (a) prior to the Mezzanine Discharge Date, the Common Security Agent, any Senior Borrower, the Mezzanine Security Agent and the Mezzanine Borrower; and
- (b) on or after the Mezzanine Discharge Date, the Common Security Agent and any Senior Borrower.

Debtor means each Senior Obligor, the Mezzanine Borrower and Mezzanine Holdco.

Distressed Disposal means a disposal of an asset of a member of the Senior Group which is:

- (a) being effected at the request of an Instructing Group in circumstances where the Common Transaction Security has become enforceable;
- (b) being effected by enforcement of the Common Transaction Security; or
- (c) being effected, after the occurrence of a Senior Loan Event of Default or a Mezzanine Loan Event of Default, by a Debtor to a person or persons which is not or are not a member or members of the Senior Group.

Election Period means a Payment Cure Election Period or a Financial Covenant Cure Election Period (as applicable).

Equity Cure Amount means a Senior LTV Equity Cure Amount or a Senior ICR Equity Cure Amount.

Excess Senior Debt Discharge Date means the first date on which all of the Excess Senior Debt has been fully and finally discharged to the satisfaction of the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders) whether or not as a result of any enforcement.

Final Discharge Date means the latest to occur of the Senior Discharge Date, the Mezzanine Discharge Date and the Excess Senior Debt Discharge Date.

Financial Covenant Cure Election Period has the meaning given to that term in the definition of "Grace Period".

First Extension Option Conditions means each of the following conditions:

- (a) Senior PledgeCo has submitted an extension option notice on any day during the First Extension Option Period;
- (b) on the date of delivery to the Senior Facility Agent of the Extension Option Notice:
 - (i) no Potential Senior Loan Event of Default is continuing; and
 - (ii) no Potential Senior Loan Event of Default would occur as a result of the extension of the Final Senior Loan Repayment Date to the First Extended Senior Loan Maturity Date;
- (c) on or prior to the Initial Senior Loan Repayment Date, Senior PledgeCo procures that Hedge Documents are entered into that comply with the provisions of the Senior Facility Agreement in respect of the period from the Initial Senior Loan Repayment Date to the First Extended Senior Loan Maturity Date; and
- (d) on or prior to the Initial Senior Loan Repayment Date, the repayment date under the Mezzanine Facility Agreement is extended to a date no earlier than the First Extended Senior Loan Maturity Date.

First Extension Option Period means the period commencing on the date falling 90 days prior to the Initial Senior Loan Repayment Date and ending on the date falling 30 days prior to the Initial Senior Loan Repayment Date.

Grace Period means:

- (a) in the case of a Senior Payment Default:
 - (i) in respect of the period in which a Mezzanine Facility Agent can make an election on behalf of any Mezzanine Lender to cure a Senior Payment Default (such period being the **Payment Cure Election Period**), the period commencing on the date the relevant Senior Payment Default has occurred to (and including) the date falling 10 Business Days after the Mezzanine Facility Agent has received notification from the Senior Facility Agent that a Senior Payment Default has occurred; and
 - (ii) in respect of the period for payment of the relevant Cure Payment following the receipt of a Mezzanine Cure Notification in respect of a Senior Payment Default, the period ending on the day falling 10 Business Days after the delivery of that Mezzanine Cure Notification; and

- (b) in the case of a Senior Financial Covenant Default:
 - (i) in respect of the period in which a Mezzanine Facility Agent can make an election on behalf of any Mezzanine Lender to cure a Senior Financial Covenant Default (such period being the **Financial Covenant Cure Election Period**), the period commencing on the date the relevant Senior Financial Covenant Default has occurred to (and including) the date falling 15 days after the Mezzanine Facility Agent has received a Mezzanine Intention Notice in relation to that Senior Financial Covenant Default; and
 - (ii) in respect of the period for payment of the relevant Cure Payment following the receipt of a Mezzanine Cure Notification in respect of a Senior Financial Covenant Default, the period ending on the day falling 15 days after the delivery of that Mezzanine Cure Notification.

Instructing Group means at any time:

- (a) prior to the Senior Discharge Date, the Majority Senior Lenders;
- (b) on or after the Senior Discharge Date and prior to the Mezzanine Discharge Date, the Majority Mezzanine Lenders; and
- (c) on or after the Mezzanine Discharge Date, the Majority Senior Lenders.

Intra-Group Lender means a Senior Obligor which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with another Senior Obligor.

Intra-Group Liabilities means the liabilities owed by any Senior Obligor to any of the Intra-Group Lenders.

Larger Group means Topco and its Subsidiaries for the time being.

Material Mezzanine Loan Event of Default means:

- (a) a non-payment Mezzanine Loan Event of Default under the Mezzanine Facility Agreement;
- (b) a financial covenant Mezzanine Loan Event of Default under the Mezzanine Facility Agreement;
- (c) an insolvency Mezzanine Loan Event of Default under the Mezzanine Facility Agreement; or
- (d) the commencement of Mezzanine Enforcement Action by any Mezzanine Finance Party in accordance with the Intercreditor Agreement.

Material Senior Loan Event of Default means:

- (a) a Senior Payment Default;
- (b) a Senior Financial Covenant Default;
- (c) an insolvency Senior Loan Event of Default under the Senior Facility Agreement; or
- (d) the commencement of enforcement action by any Senior Finance Party in accordance with the Intercreditor Agreement

Mezzanine Borrower Intercompany Loan means a loan advanced to Senior PledgeCo by the Mezzanine Borrower.

Mezzanine Borrower Liabilities means all liabilities owed by Senior PledgeCo to the Mezzanine Borrower under any Mezzanine Borrower Intercompany Loan.

Mezzanine Creditor means the Mezzanine Facility Agent, the Mezzanine Security Agent, J.P. Morgan Limited, as mezzanine arranger, or a Mezzanine Lender.

Mezzanine Discharge Date means the first date on which all Mezzanine Facility Liabilities have been fully and finally discharged to the satisfaction of the Mezzanine Facility Agent (acting on the instructions of the Majority Mezzanine Lenders), whether or not as a result of an enforcement, and the Mezzanine Creditors are under no further obligation to provide financial accommodation to the Mezzanine Obligors under the Mezzanine Finance Documents.

Mezzanine Enforcement Action means any enforcement action taken with respect to the Mezzanine Facility Liabilities.

Mezzanine Facility Liabilities means the liabilities owed by the Mezzanine Obligors to the Mezzanine Creditors under or in connection with the Mezzanine Finance Documents.

Mezzanine Holdco means Carolia Midco Limited.

Mezzanine Holdco Intercompany Loan means a loan advanced to the Mezzanine Borrower by Mezzanine Holdco.

Mezzanine Holdco Liabilities means all liabilities owed by the Mezzanine Borrower to Mezzanine Holdco under any Mezzanine Holdco Intercompany Loan or otherwise.

Mezzanine Loan Event of Default means any event or circumstance specified as such in the Mezzanine Facility Agreement (see “*Description of the Facility Agreements—The Mezzanine Facility Agreement—Mezzanine Loan Event of Default*” for further details).

Mezzanine Repackaging means the first repackaging of the Mezzanine Loans effected following the Utilisation Date.

Mezzanine Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by a Mezzanine Obligor or by some other person) of each Mezzanine Obligor to the Mezzanine Finance Parties (or any of them) under each of the Mezzanine Finance Documents (other than the Senior Facility Agreement).

Mezzanine Security means the security created or expressed to be created under or pursuant to the Mezzanine Transaction Security Documents.

Mezzanine Transaction Security means the Security created or expressed to be created under or pursuant to the Mezzanine Transaction Security Documents.

Mezzanine Transaction Security Documents means (a) the Mezzanine English Security Agreement and (b) any other document entered into at any time by any Mezzanine Obligor creating any guarantee, indemnity, Mezzanine Security or other assurance against financial loss in favour of any of the Mezzanine Finance Parties as Security for any of the Mezzanine Secured Liabilities, excluding in each case any Common Security Document.

Original Mezzanine Lender means JPMorgan Chase Bank, N.A., London Branch.

Payment Default Cure Payment means a payment by the Mezzanine Lenders in an amount equal to such amount as remains due and payable to the Senior Finance Parties by the Debtors to the account specified in the Senior Facility Agreement, which payment shall take effect under the Mezzanine Facility Agreement as a Mezzanine Loan.

Payment Stop Event means:

- (a) the occurrence of a Cash Trap Event under paragraph (a) or paragraph (c) of the definition of that term while a Material Mezzanine Loan Event of Default is continuing; or
- (b) a Material Senior Loan Event of Default.

Primary Creditor means the Senior Finance Parties and the Mezzanine Creditors.

Property Protection Loan means any loan for the purposes only of payment of real estate taxes, insurance premia, ground rent, maintenance costs or capital expenditure reasonably necessary to protect the value of the Properties.

Protective Enforcement Action means the taking of enforcement action (a) to crystallise any floating charge forming part of any security; and/or (b) to the extent that any Common Insolvency Event in respect of any Debtor, Senior Obligor or Mezzanine Obligor is continuing, to exercise any right a Senior Finance Party to accelerate, make a demand under a guarantee, exercise a right of set-off or claim and prove in the liquidation of that Debtor, Senior Obligor or Mezzanine Obligor with respect to the Senior Facility Liabilities.

Purchase Event means:

- (a) the occurrence of a Senior Payment Default which is continuing;
- (b) the occurrence of an insolvency Senior Loan Event of Default which is continuing;
- (c) the service by the Common Security Agent of a Mezzanine Intention Notice (which has not been revoked) in accordance with "*Enforcement Action—Enforcement of Common Transaction Security*" below; or
- (d) the commencement of any enforcement action by any Senior Finance Party which has not ceased.

Purchasing Party means a Mezzanine Lender or an investor in the Mezzanine Repackaging.

Recovery Proceeds Claim means a claim under an insurance policy relating to a Property, for the proceeds of an expropriation in respect of a Property or from a report provider in connection with a report provided in connection with the acquisition or refinancing of a Property.

Related Fund means, in relation to a fund (the **first fund**), a fund which is under common or affiliated management or subject to common advisory arrangements as the first fund.

Relevant Senior Interim Repayment Date has the meaning given to that term under "*Enforcement Action—Senior Finance Party Enforcement Action*" below.

Second Extension Option Conditions means each of the following conditions:

- (a) Senior PledgeCo has submitted an extension option notice on any day during the Second Extension Option Period;
- (b) on the date of delivery to the Senior Facility Agent of the extension option notice:

- (i) no Potential Senior Loan Event of Default is continuing; and
 - (ii) no Potential Senior Loan Event of Default would occur as a result of the extension of the Final Senior Loan Repayment Date to the Second Extended Senior Loan Repayment Date;
- (c) on or prior to the First Extended Senior Loan Maturity Date, Senior PledgeCo procures that Hedge Documents are entered into that comply with the provisions of the Senior Facility Agreement in respect of the period through the Second Extended Senior Loan Repayment Date; and
- (d) on or prior to the First Extended Senior Loan Maturity Date, the repayment date under the Mezzanine Facility is extended to a date no earlier than the Second Extended Senior Loan Repayment Date.

Second Extension Option Period means the period commencing on the date falling 90 days prior to the First Extended Senior Loan Maturity Date and ending on the date falling 30 days prior to the First Extended Senior Loan Maturity Date.

Senior Discharge Date means the first date on which all Senior Facility Liabilities (other than any Senior Facility Liabilities in respect of any Excess Senior Debt) have been fully and finally discharged to the satisfaction of the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders), whether or not as the result of an enforcement, and the Senior Finance Parties are under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents.

Senior Facility Liabilities means the liabilities owed by the Senior Obligors to the Senior Finance Parties under the Senior Finance Documents.

Senior Headroom means at any time and in relation to a Senior Principal Increase, an amount equal to £9,000,000 less the aggregate amount of any previous Senior Principal Increase(s).

Senior ICR Equity Cure Amount means an amount payable in accordance with the Senior Facility Agreement to ensure that the Senior ICR Covenant is met on a ICR Test Date.

Senior Interim Repayment Default means a Senior Payment Default in respect of a failure to pay the outstanding principal amount of the Senior Loans and all other Secured Liabilities (as defined in the Senior Facility Agreement) (if any) in full on the Initial Senior Loan Repayment Date or the First Extended Senior Loan Maturity Date (as applicable).

Senior LTV Equity Cure Amount means an amount payable in accordance with the Senior Facility Agreement to ensure that the Senior LTV Ratio Covenant is met on a LTV Ratio Test Date.

Subordinated Creditors means each Intra-Group Lender, the Mezzanine Borrower (in its capacity as lender under any Mezzanine Borrower Intercompany Loan), Mezzanine Holdco (in its capacity as lender under any Mezzanine Holdco Intercompany Loan) and Topco (in its capacity as lender under any Topco Intercompany Loan).

Subordinated Liabilities means the Intra-Group Liabilities, the Mezzanine Borrower Liabilities, the Mezzanine Holdco Liabilities and the Topco Liabilities.

Topco means Carolia New Topco Limited.

Topco Intercompany Loan means a loan advanced to Mezzanine Holdco by Topco.

Topco Liabilities means all liabilities owed by Mezzanine Holdco to Topco under any Topco Intercompany Loan or otherwise.

Ranking

Pursuant to the Intercreditor Agreement, the liabilities owed by the Debtors to the Primary Creditors and the Common Transaction Security rank and secure such liabilities in the following order:

- (a) *first*, the Senior Facility Liabilities (other than Excess Senior Debt);
- (b) *second*, the Mezzanine Facility Liabilities; and
- (c) *third*, the Excess Senior Debt.

The Subordinated Liabilities are postponed and subordinate to the liabilities owed to the Primary Creditors, but the Intercreditor Agreement does not purport to rank any of the Subordinated Liabilities as between themselves.

Restrictions on payment

Prior to the Senior Discharge Date, the Debtors have agreed pursuant to the Intercreditor Agreement that they shall not and shall procure that no other member of the Larger Group will, make any payment of the Mezzanine Facility Liabilities unless the taking or receipt of that payment is permitted pursuant to the Intercreditor Agreement (as described in “*Payment Restrictions—Mezzanine Permitted Payments*” below).

Pursuant to the Intercreditor Agreement, prior to the Final Discharge Date:

- (a) the Debtors shall not, and shall procure that no other member of the Senior Group will, make any payments of the Intra-Group Liabilities;
- (b) the Mezzanine Borrower shall not, and shall procure no other member of the Larger Group will, make any payments of the Mezzanine Holdco Liabilities;
- (c) Senior PledgeCo shall not make any payments of the Mezzanine Borrower Liabilities; and
- (d) Mezzanine Holdco shall not, and shall procure no other member of the Larger Group will, make any payment of the Topco Liabilities,

unless at any time that payment is permitted pursuant to the Intercreditor Agreement (as described in “*Payment restrictions—Intra-Group Permitted Payments*”, “*Payment restrictions—Mezzanine Borrower Permitted Payments*”, “*Payment restrictions—Mezzanine Holdco Permitted Payments*” and “*Payment restrictions—Topco Permitted Payments*” below).

Amendments and waivers

Senior Finance Parties

Except with the prior consent of the Mezzanine Facility Agent (acting on the instructions of a majority of 66⅔ per cent. of the Mezzanine Lenders (the **Majority Mezzanine Lenders**)), the Senior Finance Parties are not permitted to amend, consent to or waive certain specific terms of the Senior Finance Documents. Such restrictions relate to amendments, consents or waivers that would:

- (a) increase the Senior GBP Loan Margin or the Senior EUR Loan Margin or provide for an additional margin to be payable (except to the extent that such increase or addition is contemplated by the Senior Finance Documents);

- (b) change the basis on which interest, fees or commission are calculated under the Senior Facility Agreement, unless the relevant change (i) is contemplated by the Senior Finance Documents, (ii) is minor or administrative and not prejudicial to the Mezzanine Lenders, (iii) does not increase the overall cost to the Senior Obligors of the Senior Facility Liabilities, or (iv) relates to reasonable fees or charges charged in connection with amendment, waiver or consent requests;
- (c) increase the principal amount of the Senior Facility, other than as described under “*Senior Principal Increase*” below;
- (d) increase the overall cost to the Senior Obligors of the Senior Facility Liabilities;
- (e) change the currency of any amount payable under the Senior Finance Documents;
- (f) change the timing of payments under the Senior Facility Agreement (including (i) any change to the definition of the term “Interest Period” in the Senior Facility Agreement (i.e. any change to the definition of the term “Senior Loan Interest Period” as defined in this Prospectus), or (ii) an extension or reduction of the term of the Senior Loan) unless permitted under the Intercreditor Agreement as described in “*Extension of the Senior Facility Maturity Date*” below;
- (g) change the provisions relating to hedging or the definition of “Majority Lenders” in the Senior Facility Agreement (i.e. any change to the definition of the term “Majority Senior Lenders” as defined in this Prospectus);
- (h) cause existing financial covenants, events of default or defaults contained in the Senior Facility Agreement to be more onerous on the Senior Obligors or introduce new financial covenants to the Senior Facility Agreement;
- (i) change, or grant consent to an amendment to, the provisions governing the disposals that are permitted under the Senior Finance Documents which would make such disposals more onerous for the Senior Obligors or to amend the Senior Release Price payable for a permitted disposal, unless a Senior Loan Event of Default is continuing and the disposal otherwise is a Distressed Disposal permitted under the Intercreditor Agreement (as discussed in “*Disposals and Recoveries—Distressed Disposals*” below);
- (j) change, or grant consent to an amendment to, the provisions governing the type or proportion of insurance proceeds, expropriation proceeds and recovery proceeds which must be applied in prepayment of the Senior Loans;
- (k) change, or grant consent to an amendment to, the negative pledge, the provisions restricting the payments of dividends or other distributions or the insurance covenant contained in the Senior Facility Agreement;
- (l) change, or grant consent to an amendment to, the provisions of the Senior Facility Agreement governing the ability of affiliates of the Senior Obligors to purchase participations in the Senior Lender Liabilities;
- (m) release any Common Transaction Security other than expressly permitted pursuant to the Senior Facility Agreement or the Intercreditor Agreement;
- (n) amend or waive or provide a consent in respect of the accounts or priority of payment provisions of the Senior Facility Agreement unless it is contemplated by the Senior Finance Documents or a minor or technical change or correction which is not prejudicial to the Mezzanine Lenders;

- (o) result in a cross default of the Senior Facility Liabilities to any default under any Mezzanine Facility Liabilities or subordination of the Senior Facility Liabilities to any indebtedness;
- (p) permits the Senior Finance Parties to acquire any direct or indirect equity interest in the Mezzanine Borrower or any additional interest based on cash flow or appreciation of the Properties;
- (q) without prejudice to any permitted Distressed Disposals, release, waive or compromise any Mezzanine Borrower Liabilities;
- (r) consent to a change of control pursuant to the terms of the Senior Facility Agreement; and
- (s) change or release the guarantee or indemnity under the Senior Facility Agreement other than as permitted under the Intercreditor Agreement with respect to a Distressed Disposal.

Deemed consent

Such consent will be deemed to have been given by a Mezzanine Lender or the Mezzanine Facility Agent if they fail to respond to a request for consent within ten Business Days (or such longer time period as the Majority Senior Lenders may agree in relation to any request) of such request being made.

Extension of the Senior Facility Maturity Date

Pursuant to the Senior Facility Agreement, the Final Senior Loan Repayment Date may be extended by up to one year beyond the Second Extended Senior Loan Maturity Date. Such extension does not require any other consent from the Mezzanine Lenders pursuant to the terms of the Intercreditor Agreement, however, under the Conditions of the Notes any such extension would constitute a Basic Terms Modification.

Senior Principal Increase

The Senior Lenders may from time to time effect an increase in the principal amount of the Senior Facility (each, a **Senior Principal Increase**) in an amount which does not exceed the Senior Headroom at that time (any such excess being **Excess Senior Debt**). The amount of such Senior Principal Increase (together with interest, fees and commission on that amount) shall be treated as being part of the Senior Lender Liabilities provided that:

- (i) any such Senior Principal Increase shall not bear interest or accrue fees or commission in excess of the interest, fees or commission in relation to the Senior Facility Liabilities as set out in the original form of the Senior Facility Agreement subject to any amendments permitted under the Intercreditor Agreement, see “*Description of the Intercreditor Agreement—Amendments and Waivers—Senior Finance Parties*” above, and any prior Senior Principal Increases;
- (ii) any such Senior Principal Increase shall be permitted to be used only for the purpose of making Property Protection Loans; and
- (iii) the Senior Facility Agent shall notify the Mezzanine Facility Agent promptly after the implementation of a Senior Principal Increase by the Senior Lenders.

Mezzanine Creditors

Prior to the Excess Senior Debt Discharge Date, except with the prior consent of the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders), the Mezzanine Creditors are not permitted to, consent to or waive certain specific terms of the Mezzanine Finance Documents. Such restrictions relate to amendments, consents or waivers that would:

- (a) increase the margin payable under the Mezzanine Facility Agreement or provide for an additional margin to be payable (except to the extent that such increase or addition is contemplated by the Mezzanine Finance Documents);
- (b) change the basis on which interest, fees or commission are calculated under the Mezzanine Facility Agreement, unless the relevant change (i) is contemplated by the Mezzanine Finance Documents (ii) is solely to convert cash pay interest to capitalised interest, (iii) is minor or administrative and not prejudicial to the Senior Lenders, (iv) does not increase the overall cost to the Mezzanine Obligor of the Mezzanine Facility Liabilities, or (v) relates to reasonable fees or charges charged in connection with amendment, waiver or consent requests;
- (c) increase the overall cost to the Mezzanine Obligor of the Mezzanine Facility Liabilities;
- (d) change the currency of any amount payable under the Mezzanine Finance Documents;
- (e) change the timing of payments under the Mezzanine Finance Documents (including (i) any change to the definition of the term “Interest Period” in the Mezzanine Facility Agreement, or (ii) amendments to pay-if-you-can provisions under the Mezzanine Finance Documents to cash pay, (although amendments to convert cash pay, provisions to capitalised interest are unrestricted));
- (f) result in a shortening of the term of the Mezzanine Facility Agreement;
- (g) change the definition of “Majority Lenders” in the Mezzanine Facility Agreement (i.e. any change to the definition of the term “Majority Mezzanine Lenders” as defined in this Prospectus);
- (h) increase the principal amount of the Mezzanine Facility other than (i) the capitalisation of interest contemplated by the Mezzanine Facility Agreement; (ii) the making of a Cure Payment; (iii) Property Protection Loans which in aggregate do not exceed £1,000,000; and (iv) an application in or towards the payment or discharge of costs, fees or expenses incurred as a result of a Mezzanine Enforcement Action in relation to any Mezzanine Obligor or under the Mezzanine Finance Documents;
- (i) cause existing financial covenants, events of default or defaults contained in the Mezzanine Facility Agreement to be more onerous on the Mezzanine Obligor or introduce new financial covenants to the Mezzanine Facility Agreement;
- (j) change, or grant consent to an amendment to, the provisions governing the disposals that are permitted under the Mezzanine Finance Documents which would make such disposals more onerous for the Mezzanine Obligor or to amend the Mezzanine Release Price payable for a permitted disposal;
- (k) change, or grant consent to an amendment to, the provisions governing the type or proportion of insurance proceeds, expropriation proceeds and recovery proceeds which must be applied in prepayment of the Senior Loans;

- (l) unless expressly permitted by the Mezzanine Finance Documents, change or grant a consent in relation to the restrictions with respect to occupational leases or Hotel Management Agreements contained in the Mezzanine Facility Agreement or amend the letting activities permitted under the Mezzanine Facility Agreement which would have the effect of making the Mezzanine Finance Documents more onerous for the Mezzanine Obligors;
- (m) change, or grant consent to an amendment to, the negative pledge, the equity cure, the provisions restricting the payments of dividends or other distributions or the insurance covenant contained in the Mezzanine Facility Agreement;
- (n) change, or grant consent to an amendment to, the provisions of the Senior Facility Agreement governing the ability of affiliates of the Mezzanine Obligors to purchase participations in the Mezzanine Facility Liabilities;
- (o) without prejudice to any permitted Distressed Disposal, to the extent any Excess Senior Debt is outstanding, release any Common Transaction Security other than expressly permitted pursuant to the Mezzanine Facility Agreement or the Intercreditor Agreement; and
- (p) to the extent any Excess Senior Debt is outstanding, amend or waive or provide a consent in respect of the accounts or priority of payment provisions of the Mezzanine Facility Agreement unless it is contemplated by the Mezzanine Finance Documents or a minor or technical change or correction which is not prejudicial to the Senior Lenders.

Deemed consent

Such consent will be deemed to have been given by a Senior Lender or the Senior Facility Agent if they fail to respond to a request for consent within ten Business Days (or such longer time period as the Majority Mezzanine Lenders may agree in relation to any request) of such request being made.

Payment restrictions

Mezzanine Facility Liabilities

- (a) Mezzanine Permitted Payments: Prior to the Senior Discharge Date, the Mezzanine Borrower may pursuant to the Intercreditor Agreement only make a payment to the Mezzanine Creditors in respect of the Mezzanine Facility Liabilities then due:
 - (i) out of monies standing to the credit of a Control Account and in accordance with the terms of the Senior Facility Agreement or a permitted distribution under the Senior Facility Agreement; or
 - (ii) from proceeds originating from a person other than a member of the Senior Group.
- (b) Mezzanine Borrower Payment Stop Notice: Following a Payment Stop Event, the Senior Facility Agent may issue a notice (a **Payment Stop Notice**) to the Mezzanine Facility Agent advising that a Payment Stop Event has occurred and notifying them that no payment of the Mezzanine Borrower Liabilities is permitted until the first to occur of:
 - (i) the date on which the relevant Payment Stop Event is no longer continuing;
 - (ii) the date on which the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders) cancels the Payment Stop Notice by notice to the Mezzanine Facility Agent; and
 - (iii) the Senior Discharge Date.

- (c) The Senior Facility Agent may not issue a Payment Stop Notice: (A) in reliance on a particular Payment Stop Event, more than six months after that Payment Stop Event, or (B) more than once in respect of the same Payment Stop Event.
- (d) Effect of Payment Stop Notice: Any failure to make a payment under the Mezzanine Finance Documents as a result of a Payment Stop Notice shall not prevent:
 - (i) the occurrence of an event of default under the Mezzanine Facility Agreement as a consequence of failure to make a payment in relation to the Mezzanine Facility Agreement;
 - (ii) the delivery of a Mezzanine Cure Notification (as described in “*Description of the Intercreditor Agreement—Mezzanine Cure Payments—Cure Payments*” below); or
 - (iii) the issue of a Senior Purchase Notice on behalf of the Mezzanine Creditors (as described in “*Description of the Intercreditor Agreement—Senior Purchase Option*” below).

Intra-Group Liabilities

Intra-Group Permitted Payments: Prior to the Final Discharge Date, the Debtors may only make payments in respect of the Intra-Group Liabilities if those payments are permitted under the Senior Facility Agreement.

Mezzanine Borrower Liabilities

Mezzanine Borrower Permitted Payments: Prior to the Final Discharge Date, Senior PledgeCo may only make payments in respect of the Mezzanine Borrower Liabilities then due if those payments out of monies in a Control Account in accordance with the terms of the Senior Facility Agreement and:

- (i) no Payment Stop Notice is outstanding; or
- (ii) the payment is to fund a payment in the Mezzanine Finance Account of Preferred Mezzanine Interest.

Enforcement action

Enforcement of Common Transaction Security

- (a) *Enforcement of Common Transaction Security*: The Instructing Group (acting through the relevant facility agent) may pursuant to the Intercreditor Agreement give the Common Security Agent instructions as it sees fit with respect to enforcement of the Common Transaction Security upon the Common Transaction Security becoming enforceable. The Common Security Agent may refrain from enforcing the Common Transaction Security until it receives such instructions. Following any instructions from the Instructing Group to enforce the Common Transaction Security, the Common Security Agent shall serve upon Senior PledgeCo a notice (prior to the Senior Discharge Date, a **Senior Enforcement Notice**) on behalf of all Debtors declaring its intention to take enforcement action unless the Instructing Group has instructed the Common Security Agent to take Protective Enforcement Action in which case the notice to Senior PledgeCo will only be served after the Protective Enforcement Action has taken place. Prior to the Senior Discharge Date, the Common Security Agent shall, except in relation to Protective Enforcement Action or where a delay in enforcement would materially prejudice the Senior Finance Parties, consult with the Mezzanine Creditors through the Mezzanine Facility Agent for a period of between five to seven Business Days prior to taking any such enforcement action.

- (b) *Manner of enforcement:* If a Senior Loan Event of Default has occurred and is continuing, the Common Security Agent will, pursuant to the Intercreditor Agreement, prior to issuing a Senior Enforcement Notice, unless it has been instructed to take Protective Enforcement Action where it shall be after the issuance of a Senior Enforcement Notice, serve a notice on the Mezzanine Facility Agent and Mezzanine Security Agent requesting that the Mezzanine Lenders declare if they wish to take any of the actions as described in “*Description of the Intercreditor Agreement—Mezzanine Cure Payments*”, or “*Description of the Intercreditor Agreement—Senior Purchase Option*” below or to take any Mezzanine Enforcement Action (in each case, a **Mezzanine Intention Notice**).
- (c) The Common Security Agent shall enforce the Common Transaction Security as the Instructing Group shall instruct.

Restriction on Senior Finance Party Enforcement Action

No Senior Finance Party may take any enforcement action against any Debtor in relation to any of the Senior Facility Liabilities or instruct the Common Security Agent to enforce the Common Transaction Security as a result of a Senior Loan Event of Default:

- (a) if that Senior Loan Event of Default is a Curable Default, until:
 - (i) the expiry of the applicable Grace Period; and
 - (ii) if, within the Grace Period, the Mezzanine Lenders have made the necessary Cure Payment in full, and are permitted in accordance with the terms of the Intercreditor Agreement to make such payment, to remedy that Senior Loan Event of Default;
- (b) if Senior PledgeCo has not successfully submitted the relevant extension option notice prior to the end of the First Extension Option Period or Second Extension Option Period (as applicable), until the date falling 30 days after the Initial Senior Loan Repayment Date or First Extended Senior Loan Maturity Date (as applicable at the relevant time, the **Relevant Senior Interim Repayment Date**) if:
 - (i) the Mezzanine Facility Agent has notified (a **Mezzanine Extension Notice**) the Senior Facility Agent on or prior to the date falling two weeks prior to the Relevant Senior Interim Repayment Date:
 - (A) of the intention of the Mezzanine Lenders or any of them to commence Mezzanine Enforcement Action and to procure the satisfaction of the First Extension Option Conditions or the Second Extension Option Conditions, as applicable; and
 - (B) of the identity of the relevant Mezzanine Lenders;
 - (ii) within 30 days of the Relevant Senior Interim Repayment Date
 - (A) the Mezzanine Security Agent has commenced enforcement action and the Mezzanine Enforcement Acquisition has completed; and
 - (B) the relevant Mezzanine Lenders have cured (or there has been a waiver by the Senior Lenders of) any Senior Loan Event of Default which would occur as a result of the extension of the Relevant Senior Interim Repayment Date to the First Extended Senior Loan Maturity Date or Second Extended Senior Loan Maturity Date (as applicable); and

- (iii) as soon as reasonably practicable and before the date falling 30 days after the Relevant Senior Interim Repayment Date, the Mezzanine Lenders have procured hedging arrangements in compliance with the Senior Facility Agreement have been entered into for the period from the Relevant Senior Interim Repayment Date to the First Extended Senior Loan Maturity Date or Second Extended Senior Loan Maturity Date (as applicable);
- (c) from the date of a Senior Purchase Notice until the occurrence of the Senior Purchase Completion Date or the expiry of the Senior Purchase Notice; and
- (d) if within 15 days of the delivery of a Mezzanine Intention Notice, the Mezzanine Security Agent has commenced Mezzanine Enforcement Action or notified the Senior Facility Agent of its intent to commence such Mezzanine Enforcement Action and:
 - (i) that Senior Loan Event of Default is capable of remedy as described in “*Enforcement of Mezzanine Only Security/Change of Control*” below; and
 - (ii) the Mezzanine Enforcement Acquisition occurs by no later than, in respect of a Senior Loan Event of Default:
 - (A) the date falling 30 days after the delivery of a Mezzanine Intention Notice in respect of that Senior Loan Event of Default; or
 - (B) if the Senior Finance Parties have received a request for details of their “know your customer” requirements no later than 10 Business Days before the date set out in paragraph (a) above and any Senior Finance Party fails to respond to that request within 10 Business Days (the **KYC Longstop Date**), the period set out in paragraph (a) above will be extended by the number of days between the KYC Longstop Date and the date on which the relevant Senior Finance Party actually provides the relevant details.

If any of (b)(i) or (ii) does not occur within the specified time limits than the restriction on enforcement shall not apply. If (b)(iii) does not occur within the time specified a Senior Loan Event of Default shall occur.

Nothing shall prevent the right of the Senior Finance Parties to (a) take Protective Enforcement Action; (b) take enforcement action in respect of a Curable Default if any other Curable Default has occurred in the most recent Senior Loan Interest Period and not remedied by a Cure Payment; or (c) continue any enforcement action that has already commenced where the enforcement action has given an entitlement to a third party to a secured asset, the discontinuance of the enforcement action would result in the relevant Senior Finance Party breaching a contractual obligation to a third party or where it is legally not possible to cease the enforcement action.

Mezzanine Enforcement Action

Prior to the Senior Discharge Date, the Mezzanine Creditors may not take any enforcement action with respect to any member of the Senior Group or instruct the Common Security Agent to enforce the Common Transaction Security. The Mezzanine Creditors may at any time commence Mezzanine Enforcement Action with respect to the Mezzanine Facility Liabilities (other than any liabilities of the members of the Larger Group as a guarantor under the Debt Documents), including enforcing the Mezzanine Transaction Security Documents in accordance with the Mezzanine Finance Documents. Upon commencement of any Mezzanine Enforcement Action, the relevant Mezzanine Creditor shall notify the Common Security Agent. Any Mezzanine Enforcement Action shall not prohibit or prejudice the Senior Finance Parties in taking any enforcement action with respect to the Common Transaction Security or the Senior Facility Liabilities.

Co-operating between Creditors

The Mezzanine Creditors, the Mezzanine Borrower and the Debtors have pursuant to the Intercreditor Agreement undertaken that in the event that a Senior Finance Party takes enforcement action, they will, to the extent permitted by law or regulation, do all acts and things required by the Common Security Agent to enable the Common Security Agent to take such enforcement action. After the Senior Discharge Date, but prior to the Excess Senior Debt Discharge Date, the Senior Finance Parties, the Mezzanine Borrower and the Debtors undertake that in the event that a Mezzanine Creditor takes enforcement action, they will, to the extent permitted by law or regulation, do all acts and things required by the Mezzanine Security Agent to enable the Mezzanine Security Agent to take such enforcement action.

Enforcement of Mezzanine Only Security/Change of Control

Any Mezzanine Enforcement Action taken pursuant to the Mezzanine Security to effect an Mezzanine Enforcement Acquisition shall not trigger a change of control for the purposes of the Mezzanine Facility Agreement if:

- (a) more than 50 per cent. of the issued share capital of the Mezzanine Borrower (if the Mezzanine Enforcement Acquisition is of the Mezzanine Borrower) or Senior PledgeCo (if the Mezzanine Enforcement Acquisition is of Senior PledgeCo) is owned by a Mezzanine Approved Person;
- (b) prior to completion of the Mezzanine Enforcement Acquisition, the relevant acquisition party has complied with the know your customer requirements of the Senior Finance Parties
- (c) any Curable Default is remedied on the completion of the Mezzanine Enforcement Acquisition;
- (d) any other Senior Loan Event of Default capable of remedy is remedied on or before the date falling 30 days after the completion of the Mezzanine Enforcement Acquisition; and
- (e) the acquiring party accedes to the Intercreditor Agreement as the Mezzanine Borrower prior to the completion of the Mezzanine Enforcement Acquisition if they are enforcing over the shares of Senior PledgeCo and the rights and interest under the Mezzanine Borrower Intercompany Loan agreement.

For so long as the Mezzanine Lenders own or control more than 50 per cent. of the issued share capital of Senior PledgeCo following an Mezzanine Enforcement Acquisition as a result of any Mezzanine Enforcement Action, the Mezzanine Lenders will lose their rights as Mezzanine Lenders with respect to a number of clauses in relation to the Intercreditor Agreement including those described in “*Description of the Intercreditor Agreement—Amendments and Waivers*” above, “*Description of the Intercreditor Agreement—Enforcement Action—Enforcement of the Common Transaction Security*” above, “*Description of the Intercreditor Agreement—Disposals and recoveries—Distressed Disposals*” below, “*Description of the Intercreditor Agreement—Mezzanine Cure Payments*” below and “*Description of the Intercreditor Agreement—Senior Purchase Option*” below and will be deemed to have given any consent as required by a Senior Finance Party under such clauses.

Intra-Group Lender Enforcement Action

Prior to the Final Discharge Date, no Intra-Group Lender may take any enforcement action in respect of any of the Intra-Group Liabilities except that after the occurrence of a Common Insolvency Event, and with the prior written consent of the Common Security Agent, an Intra-Group Lender may accelerate, make a demand under or claim in the liquidation of a Senior Group member with respect to the Senior Group member’s Intra-Group Liabilities.

Mezzanine Borrower Enforcement Action

Prior to the Final Discharge Date, the Mezzanine Borrower may not take any enforcement action or Mezzanine Enforcement Action in respect of any of the Mezzanine Borrower Liabilities except that after the occurrence of a Common Insolvency Event, and with the prior written consent of the Mezzanine Security Agent, the Mezzanine Borrower may accelerate, make a demand under or claim in the liquidation of a member of the Senior Group with respect to the Senior Group member's Mezzanine Borrower Liabilities.

Mezzanine Holdco Enforcement Action

Prior to the Final Discharge Date, Mezzanine Holdco may not take any enforcement action in respect of any of the Mezzanine Holdco Liabilities except that after the occurrence of a Common Insolvency Event, and with the prior written consent of the Mezzanine Security Agent, Mezzanine Holdco may accelerate, make a demand under or claim in the liquidation of a member of the Larger Group with respect to the Larger Group member's Mezzanine Holdco Liabilities.

Topco Enforcement Action

Prior to the Final Discharge Date, Topco may not take any enforcement action in respect of any of the Topco Liabilities except that after the occurrence of a Common Insolvency Event, and with the prior written consent of the Common Security Agent, Topco may accelerate, make a demand under or claim in the liquidation of Mezzanine Holdco with respect to Mezzanine Holdco's Topco Liabilities.

Disposals and recoveries

- (a) Non-Distressed Disposals: With respect to any disposal to a person outside of the Senior Group of an:
 - (i) asset by a Debtor; or
 - (ii) an amount which is subject to the Common Transaction Security, which is not a Distressed Disposal (a **Non-Distressed Disposal**) and which is permitted under:
 - (A) the Senior Finance Documents; and
 - (B) the Mezzanine Finance Documents,

the Common Security Agent is irrevocable authorised to (i) release the Common Transaction Security over that asset and any other claim (relating to a Debt Document) over that asset including a release of the security over the property of a member of the Senior Group if the assets being release are the shares in such member, and (ii) issue letters of non-crystallisation as considered necessary or desirable. The net proceeds of such Non-Distressed Disposal shall be applied to prepay the Senior Facility Liabilities or the Mezzanine Facility Liabilities if so required by the Senior Finance Documents or the Mezzanine Finance Documents.

- (b) Distressed Disposals: With respect to a Distressed Disposal, the Common Security Agent is irrevocably authorised pursuant to the Intercreditor Agreement to make any releases of the Common Transaction Security and issue letters of non-crystallisation as thought necessary or desirable by the Common Security Agent and:
 - (i) if the asset which is subject to the Distressed Disposal consists of shares in the capital of a Senior Obligor, the Common Security Agent may release that Senior Obligor and its subsidiaries from (A) all of their liabilities, (ii) any Common Transaction Security granted by that Senior Obligor and its subsidiaries, and (iii) any other claim of any other Senior Obligor over that Debtor or its subsidiaries' assets;

- (ii) if the asset which is subject to the Distressed Disposal consists of shares in the capital of a Senior Obligor's holding company (other than Senior PledgeCo), the Common Security Agent may release that holding company and its subsidiaries from (i) all of its liabilities, (ii) any Common Transaction Security granted by that holding company and its subsidiaries and (iii) any other claim of any Senior Obligor over that holding company or its subsidiaries' assets;
- (iii) if the asset which is subject to the Distressed Disposal consists of shares in the capital of a Senior Obligor or in such Senior Obligor's holding company (other than Senior PledgeCo) or any of their subsidiaries and the Common Security Agent decides to dispose of any liabilities owed by that Senior Obligor or its holding company or any of their subsidiaries, the Common Security Agent may execute any document, to treat, or not, as the Common Security Agent may determine, the transferee of the liabilities as a Primary Creditor or a common secured party; and
- (iv) if the asset which is subject to the Distressed Disposal consists of shares in the capital of a Senior Obligor or in such Senior Obligor's holding company (other than Senior PledgeCo) or any of their Subsidiaries and the Common Security Agent decides to dispose to any Senior Obligor any obligations in respect of liabilities of that Debtor or its holding company or any of their subsidiaries, the Common Security Agent may execute any document to transfer such obligations to the receiving Senior Obligor, as the Common Security Agent may determine.

The net proceeds of such Distressed Disposal, and any proceeds from the sale of the liabilities pursuant to paragraph (c) below, shall be applied in accordance with the priority of payments as described in "*Description of the Intercreditor Agreement—Application of Proceeds*" below.

- (c) The Common Security Agent may only take such actions as described in paragraph (b) above if:
 - (i) the Common Security Agent has notified the Mezzanine Security Agent and provides the Mezzanine Security Agent with the proscribed details including (A) the identity of the asset being disposed and of any relevant sales agent, (B) a copy of any relevant information memorandum, and (C) reasonable details of any offer for the asset;
 - (ii) the asset has been marketed through a sales agent or sold in a manner with a view to obtaining the best market price reasonably obtainable following consultation with the Mezzanine Facility Agent for a period between five to seven Business Days; and
 - (iii) the net Disposal Proceeds are applied as described in paragraph "*Description of the Intercreditor Agreement—Application of Proceeds*" below.
- (d) Expropriation Proceeds, Insurance Proceeds, Recovery Proceeds: If any Recovery Proceeds Claim is to be made by a Debtor and that Recovery Proceeds Claim, or the proceeds therefrom, is subject to the Common Transaction Security, the Common Security Agent is irrevocable authorised pursuant to the Intercreditor Agreement to give any consent necessary to allow the Debtor to pursue such Recovery Proceeds Claim. If any proceeds obtained from such Recovery Proceeds Claim are required to be applied in prepayment of the Senior Facility Liabilities or the Mezzanine Facility Liabilities then they should be first applied in payment of the Senior Facility Liabilities, then following discharge of the Senior Facility Liabilities in payment of the Mezzanine Facility Liabilities and finally after discharge of the Mezzanine Facility Liabilities in payment of any Excess Senior Debt.

Common Insolvency Event

After the occurrence of a Common Insolvency Event in relation to any member of the Senior Group, any party entitled to receive a distribution of the assets of that member of the Senior Group in respect of liabilities owed to that party shall instead instruct they are paid to the Common Security Agent for distribution as described in “*Description of the Intercreditor Agreement—Application of Proceeds*” below, until all liabilities owing to the Common Security Agent and the Primary Creditors have been paid in full. Each Creditor authorises the Common Security Agent to demand payment of the amounts owing to that Creditor and/or file a claim on behalf of that Creditor in the insolvent estate of the relevant member of the Senior Group. When acting on that authority, the Common Security Agent shall act on the instructions of the Instructing Group (acting through its Agent).

Mezzanine Cure Payments

Cure Payments

If:

- (a) a Senior Loan Event of Default relating to a non-payment has occurred (a **Senior Payment Default**);
- (b) a Senior Loan Event of Default as a result of a breach of the Senior LTV Ratio Covenant has occurred which a Senior Obligor has not elected to cure (as described under “*Description of the Facility Agreements—The Senior Facility Agreement—Undertakings—Financial Covenants*” above); or
- (c) a Senior Loan Event of Default as a result of a breach of the Senior ICR Covenant has occurred which a Senior Obligor has not elected to cure (as described under “*Description of the Facility Agreements—The Senior Facility Agreement—Undertakings—Financial Covenants*” above) (paragraphs (b) and (c) each being a **Senior Financial Covenant Default**, with a **Curable Default** in this context being any Senior Payment Default or Senior Financial Covenant Default),

the Mezzanine Facility Agent may within the Election Period with respect to such Curable Default notify the Senior Borrowers and the Senior Facility Agent (a **Mezzanine Cure Notification**) that the Mezzanine Lenders (or any one of them) wishes to make a Cure Payment with respect to that Curable Default.

Mezzanine Cure Notification

If a Mezzanine Cure Notification is given then the relevant Mezzanine Lenders must procure that within the Grace Period for the relevant Curable Default:

- (a) in respect of a Senior Payment Default, an amount equal to the unpaid amount due to the Senior Finance Parties is paid into an account specified by the Senior Facility Agent (or into the Collection Account if no account is nominated);
- (b) in respect of a Senior Interim Repayment Default the conditions as described in paragraphs (b)(i) and (ii) of “*Description of the Intercreditor Agreement—Enforcement Action—Senior Finance Party Enforcement Action*” above are satisfied; or
- (c) in respect of a Senior Financial Covenant Default, an amount equal to the Equity Cure Amount in respect of the relevant Senior Financial Covenant Default is deposited into the Equity Cure Accounts.

Number of Cure Payments

- (a) The payment of any Equity Cure Amount by the Mezzanine Lenders into the Equity Cure Accounts may:
 - (i) only be made a maximum of four times in total; and
 - (ii) not be made in more than two successive Senior Loan Interest Periods.
- (b) Any cure by:
 - (i) the Senior Obligors of a Senior Financial Covenant Default will reduce the number of Cure Payments which may be made by the Mezzanine Lenders in relation to the relevant financial covenant; and
 - (ii) the Mezzanine Lenders of a Senior Financial Covenant Default will reduce the number of Cure Payments which may be made by the Senior Obligors in relation to the relevant financial covenant,

provided that, in the case of paragraph (i) above the Mezzanine Lenders will retain the right to make one Cure Payment, in circumstances where the effect of paragraph (i) above would otherwise be to leave the Mezzanine Lenders with no right to cure and the Mezzanine Lenders have not previously made a Cure Payment.

Miscellaneous

- (a) Any Cure Payment will be treated as forming part of the Mezzanine Facility Liabilities and the total amount in aggregate owed by the Mezzanine Borrower to the Mezzanine Lenders will be increased by an equivalent amount.
- (b) Upon the satisfaction of the conditions as described in paragraphs (b)(i) and (ii) of “*Description of the Intercreditor Agreement—Enforcement Action—Senior Finance Party Enforcement Action*” above all of the First Extension Option Conditions or the Second Extension Option Conditions, as applicable, shall be deemed to have been satisfied and the maturity date of the Senior Loans shall be the First Extended Senior Loan Maturity Date or Second Extended Senior Loan Maturity Date (as applicable) and the Senior Interim Repayment Default shall be treated as being remedied.
- (c) The payment of a Cure Payment shall not be treated as remedying any Mezzanine Loan Event of Default outstanding under the Mezzanine Facility Agreement.

Additional security

- (a) Senior Facility Security: The Senior Finance Parties may receive the benefit of any Security in respect of the Senior Facility Liabilities in addition to the Common Transaction Security if it is also offered to the Common Security Agent and the other Primary Creditors in respect of their liabilities and provided it ranks in the same order of priority as set out in the Intercreditor Agreement (see “*Description of the Intercreditor Agreement—Ranking*” above).
- (b) Mezzanine Facility Security: Prior to the Senior Discharge Date, the Mezzanine Creditors may not, without the prior consent of the Majority Senior Lenders, receive the benefit of any Security in respect of the Mezzanine Facility Liabilities other than:
 - (i) the Common Transaction Security;

- (ii) any Security received by the Senior Finance Parties as permitted pursuant to the terms Intercreditor Agreement (see paragraph (a) of “*Description of the Intercreditor Agreement—Senior Facility Security*” above); or
 - (iii) any guarantee, indemnity or other assurance contained in the Mezzanine Facility Agreement, the Intercreditor Agreement or any common assurance.
- (c) Intra-Group Security: Prior to the Final Discharge Date, the Intra-Group Lenders may not receive the benefit of any Security, guarantee, indemnity or other assurance with respect to the Intra-Group Liabilities unless:
- (i) expressly permitted by the Senior Facility Agreement and the Mezzanine Facility Agreement;
 - (ii) prior to the Mezzanine Discharge Date the prior consent of the Majority Senior Lenders and the Majority Mezzanine Lenders is obtained; or
 - (iii) on or after the Mezzanine Discharge Date the prior consent of the Majority Senior Lenders is obtained.
- (d) Mezzanine Borrower/Mezzanine Holdco/Topco Security: Prior to the Final Discharge Date, none of the Mezzanine Borrower, Mezzanine Holdco or Topco may receive the benefit of any Security, guarantee, indemnity or assurance from any member of the Senior Group in respect of any of the Mezzanine Borrower Liabilities, Mezzanine Holdco or Topco Liabilities, respectively.

Senior Purchase Option

- (a) Any Purchasing Party may elect to purchase all of the Senior Lender Liabilities by serving an irrevocable notice (a **Senior Purchase Notice**) on the Senior Facility Agent no later than 15 Business Days after the Mezzanine Facility Agent has received a notice of the relevant Purchase Event. The Senior Purchase Notice must nominate a date (the **Senior Purchase Completion Date**) falling not more than 15 Business Days after the date of the Senior Purchase Notice on which the Mezzanine Lenders shall pay the Senior Purchase Amount and acquire all Senior Lender Liabilities.
- (b) Following issuance of a Senior Purchase Notice, the Senior Finance Parties may not commence any enforcement action pursuant to the Intercreditor Agreement unless the relevant Mezzanine Lenders fail to pay the Senior Purchase Amount in full on the Senior Purchase Completion Date.

Purchase of the Mezzanine Borrower Liabilities

Prior to the Final Discharge Date, the Mezzanine Borrower shall not, and Senior PledgeCo shall procure that no member of the Senior Group will:

- (a) enter into an acquisition of any Mezzanine Borrower Liabilities; or
- (b) beneficially own all or any part of the share capital of a company that is party to an acquisition of Mezzanine Borrower Liabilities,

unless:

- (i) permitted or contemplated under the Intercreditor Agreement; or

- (ii) (A) prior to the Senior Discharge Date, the prior consent of the Majority Senior Lenders is obtained; or (B) on or after the Senior Discharge Date but prior to the Mezzanine Discharge Date, the prior consent of the Majority Mezzanine Lenders is obtained; or (C) on or after the Mezzanine Discharge Date the prior consent of the Majority Senior Lenders is obtained.

Application of proceeds

Any monies received under or recovered by the Common Security Agent pursuant to the terms of any Debt Document or from the realisation of any of the Common Transaction Security shall be held on trust by the Common Security Agent and be applied in the following order of priority at any time as the Instructing Group (acting through its Agent) may direct:

- (a) until the Senior Discharge Date, in payment to the Senior Facility Agent for application in accordance with the order set out in the Senior Facility Agreement (see section entitled “Partial payments” within the section entitled “*Description of the Facility Agreements—The Senior Facility Agreement*”) in payment of all costs and expenses incurred by the Common Security Agent in connection with any realisation or enforcement of the Common Transaction Security and any other sums owing to the Common Security Agent, any receiver or delegate (**Relevant Common Security Agent Expenses**);
- (b) in payment *pro rata* and *pari passu* (i) to the Senior Facility Agent for application in accordance with the order set out in the Senior Facility Agreement (see the section entitled “*Partial payments*” within the section entitled “*Description of the Facility Agreements—The Senior Facility Agreement*”) in payment of all costs and expenses incurred by any Primary Creditor in connection with any realisation or enforcement of the Common Transaction Security (**Relevant Senior Creditor Expenses**), and (ii) of all costs and expenses incurred by any Mezzanine Creditor in connection with any realisation or enforcement of the Common Transaction Security;
- (c) in payment to the Senior Facility Agent for application in accordance with the order set out in the Senior Facility Agreement (see the section entitled “*Partial payments*” within the section entitled “*Description of the Facility Agreements—The Senior Facility Agreement*”) in payment of any other amounts owed to Senior Finance Parties under the Senior Finance Documents (other than in respect of any Excess Senior Debt);
- (d) in payment of any sums owing to the Mezzanine Security Agent, any receiver or any delegate appointed by the Mezzanine Security Agent;
- (e) in payment of the liabilities owed to the Mezzanine Facility Agent and J.P. Morgan Limited, as mezzanine arranger, under the Mezzanine Finance Documents;
- (f) in payment of any fees, costs and expenses in relation to any Property Protection Loans or Cure Payments due but unpaid under the Mezzanine Finance Documents;
- (g) in payment of any accrued interest on any Property Protection Loans or Cure Payments due but unpaid under the Mezzanine Facility Agreement;
- (h) in payment or prepayment of any principal of any Property Protection Loans or Cure Payments;
- (i) in payment of any other sum due but unpaid (including any applicable prepayment fee) under the Mezzanine Facility Agreement in respect of any Property Protection Loans or Cure Payments;

- (j) in payment of any fees, costs and expenses due but unpaid under the Mezzanine Finance Documents;
- (k) in payment of any accrued interest on any Mezzanine Lender liabilities due but unpaid under the Mezzanine Finance Documents;
- (l) in payment or prepayment of any principal under the Mezzanine Finance Documents;
- (m) in payment of any other sum due but unpaid (including any applicable prepayment fee) under the Mezzanine Finance Documents;
- (n) in payment to the Senior Facility Agent for application in accordance with the order set out in the Senior Facility Agreement (see the section entitled “*Partial payments*” within the section entitled “*Description of the Facility Agreements—The Senior Facility Agreement*”) towards the discharge of any Senior Facility Liabilities in respect of any Excess Senior Debt;
- (o) if none of the Debtors is under any further actual or contingent liability under any Senior Finance Document or Mezzanine Finance Document, in payment to any person to whom the Common Security Agent is obliged to pay in priority to any Debtor; and
- (p) the balance, if any, in payment to the relevant Debtor.

All amounts recovered by the Mezzanine Security Agent pursuant to the terms of any Debt Documents or in connection with the realisation of any part of the Mezzanine Security shall be applied in accordance with the Mezzanine Finance Documents.

Power of Attorney

Each of the Subordinated Creditors and the Debtors:

- (a) prior to the Senior Discharge Date appoints the Senior Facility Agent;
- (b) on or after the Senior Discharge Date, but prior to the Mezzanine Discharge Date, appoints the Mezzanine Facility Agent; and
- (c) on or after the Mezzanine Discharge Date, but prior to the Excess Senior Debt Discharge Date, appoints the Senior Facility Agent,

as its attorney to, *inter alia*, do all acts it has been instructed to do by the Senior Facility Agent or the Mezzanine Facility Agent under the Intercreditor Agreement or is required to do pursuant to the Intercreditor Agreement but has failed to do.

Valuations

If, prior to the Senior Discharge Date, the Senior Facility Agent does not instruct a valuer before the end of the 11th month within a 12 month period during which the Senior Facility Agent may instruct a valuer pursuant to the Senior Facility Agreement, the Mezzanine Facility Agent may appoint a valuer.

INTER-COMPANY LENDING ARRANGEMENTS

In addition to the loan facilities described above under the section “*Description of the Loan Facility Agreements*”, there are several inter-company loan agreements between certain subordinated debtors and certain Subordinated Creditors.

Generally, the terms of such inter-company loan agreements provide for loans on an interest bearing basis. Interest is paid quarterly, but any unpaid interest capitalises without a default by the borrowing entity.

All loans made pursuant to the inter-company loan agreements must be repaid on the fifth anniversary of the date on which the loan was made available to the borrowing entity. The borrowing entity will repay both the amount due and all interest accrued. The parties to any inter-company loan may agree to prepayment of all or any part of such inter-company loan without penalty for such prepayment.

The inter-company loan agreements are subject to the terms of the Intercreditor Agreement. Accordingly, each loan made pursuant to an inter-company loan agreement constitutes a subordinated obligation of the borrowing entity with respect to such borrower’s other obligations with no entitlement to take any enforcement action. In addition, each borrowing entity in respect of any inter-company loan made by it, must grant (to the extent not already granted) security in favour of the Common Security Agent over its interest in the relevant inter-company loan.

DESCRIPTION OF THE LIQUIDITY FACILITY AGREEMENTS

On or prior to the Closing Date, the Issuer will enter into two Liquidity Facility Agreements, the GBP Liquidity Facility Agreement and the EUR Liquidity Facility Agreement, with the Liquidity Facility Provider, the Cash Manager and the Issuer Security Trustee. Pursuant to the Liquidity Facility Agreements, the Liquidity Facility Provider will provide to the Issuer two renewable 364-day committed revolving loan facilities, a EUR facility (the **EUR Liquidity Facility**) and a GBP facility (the **GBP Liquidity Facility** and together with the EUR Liquidity Facility, the **Liquidity Facilities**) expiring on the Liquidity Facility Term Date.

Liquidity Facility Term Date means, subject to any renewal made under the relevant Liquidity Facility Agreement, the date falling 364 days after the date of the that Liquidity Facility Agreement and, thereafter, the date falling 364 days after the date of any such renewal or, if such date is not a Business Day, the preceding Business Day.

The Cash Manager will be responsible, on an on-going basis, for delivering renewal requests within specified time periods prior to the expiry of the then term of a Liquidity Facility. If the Liquidity Facility Provider declines to renew the relevant Liquidity Facility upon expiry then the Cash Manager will make a Stand-by Drawing under that Liquidity Facility, as further described below and subject to certain exceptions as described below.

The Liquidity Commitment

Original Liquidity Commitment

As of the Closing Date, the maximum amount available to be drawn under (i) the GBP Liquidity Facility (the **GBP Liquidity Commitment**) will be £17,700,000 (the **Original GBP Liquidity Commitment**), and (ii) the EUR Liquidity Facility (the **EUR Liquidity Commitment**) will be €9,200,000 (the **Original EUR Liquidity Commitment**), and the GBP Liquidity Commitment and the EUR Liquidity Commitment together, the **Liquidity Commitment** and the Original GBP Liquidity Commitment and the Original EUR Liquidity Commitment together, the **Original Liquidity Commitment**). The Liquidity Commitment may decrease as described below.

Changes to the Liquidity Commitment following a repayment of principal on the Notes

On each Note Payment Date, the applicable Liquidity Commitment under each Liquidity Facility will be re-calculated as follows:

$$LC = A \times (B/C)$$

where:

- LC is the relevant Liquidity Commitment following such reduction (but subject to any further adjustment as described under “*Appraisal Reductions*” below);
- A is the relevant Original Liquidity Commitment;
- B is an amount equal to the aggregate Principal Amount Outstanding of the GBP Notes or the EUR Notes (as applicable, and taking into account any repayment of principal made or to be made on such Note Payment Date); and
- C is an amount equal to the aggregate Principal Amount Outstanding of the GBP Notes or the EUR Notes, as applicable, as at the Closing Date.

In certain other circumstances the Liquidity Commitment may also be reduced by the Issuer, subject to the Issuer first receiving confirmation in writing from the Rating Agencies (such confirmation requested by the Issuer with a copy to the Issuer Security Trustee) that such reduction in the Liquidity Commitment will not result in a downgrading of any of the Notes to below their then current rating levels.

Appraisal Reductions

If an Appraisal Reduction occurs, the relevant Liquidity Commitment in respect of that Liquidity Facility will be reduced by multiplying the applicable Appraisal Reduction Factor by the then applicable Liquidity Commitment.

An **Appraisal Reduction** will occur with respect to (i) the GBP Liquidity Commitment if the Valuation Reduction Amount with respect to the Senior GBP Loans is greater than zero, and (ii) with respect to the EUR Liquidity Commitment if the Valuation Reduction Amount with respect to the Senior EUR Loan is greater than zero.

Appraisal Reduction Factor means an amount obtained by dividing (i) (x) the aggregate principal balance outstanding of the Senior GBP Loans or the Senior EUR Loan (as applicable) as of the date of the occurrence of the relevant Appraisal Reduction, less (y) the GBP Valuation Reduction Amount or the EUR Valuation Reduction Amount (as applicable), by (ii) the aggregate principal balance outstanding of the Senior GBP Loans or the Senior EUR Loan (as applicable) as of the date of the occurrence of the relevant Appraisal Reduction.

Drawings

Drawings in respect of the each Liquidity Facility will be available only in the currency in which that Liquidity Facility is denominated.

Liquidity Drawings – General

A Liquidity Facility may be drawn to fund an Expenses Shortfall, an Interest Shortfall or a Property Protection Shortfall.

Expenses Shortfall means an EUR Expenses Shortfall or a GBP Expenses Shortfall.

EUR Expenses Shortfall means the amount (as calculated by the Cash Manager) by which, on any Business Day (other than a Note Payment Date) (i) the EUR Share of the aggregate of the Issuer Priority Payments payable by the Issuer exceeds (ii) the funds then available to the Issuer in EUR for the purposes of making such payments (excluding any Expenses Drawing or other Liquidity Drawing made pursuant to the EUR Liquidity Facility on that day).

GBP Expenses Shortfall means the amount (as calculated by the Cash Manager) by which, on any Business Day (other than a Note Payment Date) (i) the GBP Share of the aggregate of the Issuer Priority Payments payable by the Issuer exceeds (ii) the funds then available to the Issuer in GBP for the purposes of making such payments (excluding any Expenses Drawing or other Liquidity Drawing made pursuant to the GBP Liquidity Facility on that day).

Interest Shortfall means a GBP Interest Shortfall or an EUR Interest Shortfall.

EUR Interest Shortfall means, in respect of any Note Payment Date (and determined by the Cash Manager on the immediately preceding Determination Date), the amount (if any), by which:

- (a) EUR Revenue Receipts determined in respect of that Note Payment Date; will be less than

- (b) the aggregate of the payments due on that Note Payment Date in respect of items (a) to (g)(i) (inclusive) and items (h), (j), (l), (n) and (p) of the EUR Pre-Enforcement Priority of Payments, excluding any amount in respect of Note Prepayment Fees, and determined, in respect of items (n) and (p) as if the amount of interest payable on the Class EUR-D Notes and the Class EUR-E Notes were equal to the Class EUR-D Adjusted Interest Payment Amount and the Class EUR-E Adjusted Interest Payment Amount, respectively).

GBP Interest Shortfall means, in respect of any Note Payment Date (and determined by the Cash Manager on the immediately preceding Determination Date), the amount (if any), by which:

- (a) GBP Revenue Receipts determined in respect of that Note Payment Date; will be less than
- (b) the aggregate of the payments due on that Note Payment Date in respect of items (a) to (g)(i) (inclusive) and items (h), (j), (l), (n), (p) and (r) of the GBP Pre-Enforcement Priority of Payments, excluding any amount in respect of Note Prepayment Fees, and determined, in respect of items (p) and (r) as if the amount of interest payable on the Class GBP-E Notes and the Class GBP-F Notes were equal to the Class GBP-E Adjusted Interest Payment Amount and the Class GBP-F Adjusted Interest Payment Amount, respectively).

Property Protection Shortfall means, on any Business Day, (i) an amount in EUR which the Servicer or Special Servicer (as applicable) has determined should be paid to third parties, such as insurers, and persons providing services in connection with the operation of the Dutch Property, and/or (ii) an amount in GBP which the Servicer or Special Servicer (as applicable) has determined should be paid to third parties, such as insurers, and persons providing services in connection with the operation of the UK Properties, in each case in accordance with the provisions of the Servicing Agreement.

Notwithstanding the foregoing, no Property Protection Drawing may be made if, following such drawing, the aggregate of all Property Protection Advances and Property Protection Drawings then outstanding would exceed the Senior Headroom.

The Servicer or the Special Servicer (as applicable) will notify the Cash Manager of the existence of any Property Protection Shortfall as and when the same may arise, and on each applicable date, the Cash Manager will determine the amount of any Expenses Shortfall or any Interest Shortfall. The Cash Manager will, on behalf of the Issuer, make a drawing pursuant to the relevant Liquidity Facility Agreement in an amount equal to the relevant Expenses Shortfall (an **Expenses Drawing**) and/or Interest Shortfall (an **Interest Drawing**) and/or Property Protection Shortfall (a **Property Protection Drawing**). An Expenses Drawing, an Interest Drawing and a Property Protection Drawing are each referred to as a **Liquidity Drawing**.

The Issuer will be required to use the proceeds of any Interest Drawing in making payments of interest to, amongst others, the GBP Noteholders (in case of an Interest Drawing made under the GBP Liquidity Facility) or the EUR Noteholders (in the case of an Interest Drawing made under the EUR Liquidity Facility and, in each case, excluding the Class X Certificateholder) of interest, in accordance with the applicable Pre-Enforcement Priority of Payments. The proceeds of an Interest Drawing are not permitted to be used to repay any amount of principal on any Class of Notes, pay the relevant Class X Payment Amount or any Note Prepayment Fees, or pay any amount of interest on the Class GBP-E Notes in excess of Class GBP-E Adjusted Interest Payment Amount, on the Class GBP-F Notes in excess of the Class GBP-F Adjusted Interest Payment Amount, on the Class EUR-D Notes in excess of the Class EUR-D Adjusted Interest Payment Amount or on the Class EUR-E Notes in excess of, the Class EUR-E Adjusted Interest Payment Amount.

All payments due to the Liquidity Facility Provider under a Liquidity Facility Agreement (other than in respect of any Liquidity Subordinated Amounts) will rank ahead of payments of interest and repayments of principal on the Notes.

Liquidity Subordinated Amounts mean GBP Liquidity Subordinated Amounts or EUR Liquidity Subordinated Amounts, as applicable..

Stand-by Drawings

Each Liquidity Facility Agreement will provide that if:

- (c) at any time the Liquidity Facility Provider is downgraded such that it no longer has the LF Required Ratings as set out in more detail in the tables below (the **LF Required Ratings** (such event, an **LF Downgrade Event**); and/or
- (d) the Liquidity Facility Provider declines or omits (whether by action or inaction) to renew the relevant Liquidity Facility Agreement on expiry in accordance with the terms thereof (such event, an **LF Extension Refusal**),

(each, an **LF Relevant Event**) then the Cash Manager (on behalf of the Issuer) will (subject (in the case of paragraph (a) above) having been notified in writing of such LF Relevant Event) be required (subject as described below) to make a drawing of an amount (a **Stand-by Drawing**) under the relevant Liquidity Facility Agreement equal to the then applicable undrawn Liquidity Commitment no later than the earlier of (i) the date falling 14 days from the occurrence of such LF Downgrade Event, or (ii) the date falling 2 Business Days before the last day of the then current Liquidity Commitment Period.

Liquidity Commitment Period means, in respect of each Liquidity Facility, the period from and including the date of the Liquidity Facility Agreement to and including the date which is the earlier of:

- (a) the Liquidity Facility Term Date applicable to such Liquidity Facility; and
- (b) the Final Note Maturity Date.

The **LF Required Ratings** are: a long-term rating of the Liquidity Facility Provider's unguaranteed, unsecured and unsubordinated debt obligations of (i) a long-term rating of at least "A+" by S&P unless it has a short-term rating of at least "A-1" by S&P, in which case a long-term rating of least "A" by S&P, and (ii) a long-term rating of at least "A" by DBRS, or such lower debt rating from S&P and DBRS, as applicable, as is commensurate with the then current ratings assigned to the then Most Senior Class of Notes from time to time as set out in more detail in the table below:

S&P		DBRS	
Rating Assigned to the Most Senior Class of Notes	LF Required Rating	Rating Assigned to the Most Senior Class of Notes	LF Required Rating
AAAsf	A*	AAA (sf)	A
AA+sf	A*	AA (high) (sf)	A
Aasf	A-	AA (sf)	A
AA-sf	A-	AA (low) (sf)	A
A+sf	BBB+	A (high) (sf)	BBB (high)
Asf	BBB	A (sf)	BBB
A-sf	BBB-	A (low) (sf)	BBB (low)
BBB+sf	BBB-	BBB (high) (sf)	BBB (low)
BBBsf	BBB-	BBB (sf)	BBB (low)
BBB-sf	BBB-	BBB (low) (sf)	BBB (low)
BB+sf	BB+		
BBsf and below	At least as high as the Notes' rating		

* 'A' with an 'A-1' short-term rating, otherwise 'A+'.

The Liquidity Facility Provider must forthwith notify the Issuer, the Servicer, the Cash Manager and the Issuer Security Trustee in writing if at any time it ceases to have the LF Required Ratings. Additionally, at any time, upon the request of the Issuer, the Servicer, the Cash Manager or the Issuer Security Trustee, the Liquidity Facility Provider shall confirm in writing that it continues to have the LF Required Ratings.

If an LF Downgrade Event occurs, then the Liquidity Facility Provider may use reasonable endeavours to procure (a) a replacement liquidity facility provider which is acceptable to the Issuer and the Issuer Security Trustee, which is a qualifying bank as described in the Liquidity Facility Agreement, and which has the LF Required Ratings or (b) that its obligations under the relevant Liquidity Facility Agreement are guaranteed by an entity which is acceptable to the Issuer and the Issuer Security Trustee, which is a qualifying bank as described in the Liquidity Facility Agreement, and has the LF Required Ratings (an **Acceptable LF Guarantee**), in each case, within 30 days of such LF Relevant Event (extended by a period of a further 30 calendar days, provided that a written proposal with respect to such actions has been delivered to (and is the subject of consultation with) each Rating Agency), and in either case, the Issuer shall take all reasonable steps to effect such arrangement.

The Issuer is required to repay each Stand-by Drawing (first using funds standing to the credit of the GBP Stand-by Account or the EUR Stand-by Account (as applicable) and if and to the extent that any amount of the Stand-by Drawing remains outstanding after the use of such funds, in accordance with the applicable Pre-Enforcement Priority of Payments or Post-Enforcement Priority of Payments as applicable) on the earliest to occur of:

- (a) if the relevant Stand-by Drawing was made by reason of the occurrence of a LF Downgrade Event, on the second Business Day after the Liquidity Facility Provider notifies the Cash Manager, the Issuer and the Issuer Security Trustee that it once again has the LF Required Ratings;

- (b) if the relevant Stand-by Drawing was made by reason of the occurrence of a LF Downgrade Event, the Issuer Security Trustee is satisfied that there is an Acceptable LF Guarantee in place;
- (c) if the relevant Stand-by Drawing was made by reason of the occurrence of a LF Extension Refusal, the Liquidity Facility Provider subsequently agrees to renew and extend the applicable Liquidity Commitment Period to the date which was specified in the relevant extension request (provided that the Liquidity Facility Provider has the LF Required Ratings at the time of such renewal and extension);
- (d) whether occasioned by the occurrence of a LF Relevant Event or otherwise, the transfer of the Liquidity Commitment by the Liquidity Facility Provider to an eligible replacement Liquidity Facility Provider in accordance with the terms of the relevant Liquidity Facility Agreement;
- (e) whether occasioned by the occurrence of a LF Relevant Event or otherwise, the termination of the relevant Liquidity Facility and the entry into a replacement Liquidity Facility denominated in the applicable currency, with an eligible replacement Liquidity Facility Provider in accordance with the relevant Liquidity Facility Agreement;
- (f) the entry into such other arrangements as the Liquidity Facility Provider has determined are suitable and notified to the Rating Agencies, the Cash Manager and the Note Trustee, and in respect of which each Rating Agency has delivered a Rating Agency Confirmation (or from which no Rating Agency Confirmation is required);
- (g) cancellation of the applicable Liquidity Commitment in accordance with the relevant Liquidity Facility Agreement; and
- (h) the Final Note Maturity Date.

Interest earned on a Stand-by Account and/or the proceeds of any Eligible Investments made with funds standing to the credit of a Stand-by Account will be for the account of the Issuer and will form part of the GBP Available Funds or the EUR Available Funds (as applicable).

Amounts standing to the credit of a Stand-by Account will be available to the Issuer to be withdrawn in the same circumstances as the Liquidity Drawings in the applicable currency, as described above, and otherwise in the circumstances provided in the relevant Liquidity Facility Agreement. All repayments of Liquidity Drawings will, after a Stand-by Drawing has been made, be paid into the relevant Stand-by Account (unless the Stand-by Drawing is then repayable).

Following the service of a Note Acceleration Notice or the Notes otherwise becoming due and repayable in full and following certain events of default under a Liquidity Facility Agreement, (i) no further drawings may be made under that Liquidity Facility Agreement and (ii) amounts standing to the credit of the relevant Stand-by Account must be repaid to the Liquidity Facility Provider and will not be applied in accordance with either a Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments. No amount may be drawn under a Liquidity Facility Agreement after the Final Note Maturity Date.

Eligible Investments

If the Cash Manager (on behalf of the Issuer) makes a Stand-by Drawing, the Cash Manager (on behalf of the Issuer) will, if directed in writing by the Issuer (acting on the instructions of the Liquidity Facility Provider) which may be given as a standing instruction pursuant to and in accordance with the relevant provisions of the Cash Management Agreement, invest such funds (other than the amounts of £250,000 and €250,000 which shall be retained on deposit in the GBP Stand-by Account and the EUR Stand-by Account respectively) in Eligible Investments. See “*Cash Management—Eligible Investments*”.

Repayment of other Liquidity Drawings

If a Liquidity Drawing is not repaid on the relevant Note Payment Date, (it being noted that the Issuer is obliged to so repay, in accordance with the terms of the Liquidity Facility Agreement and the Cash Management Agreement if there are sufficient revenue receipts in the relevant currency to do so), the relevant Liquidity Drawing will be deemed to be repaid (but only for the purposes of the applicable Liquidity Facility) and redrawn on such Note Payment Date in an amount equal to all amounts outstanding, provided that the aggregate of the amounts drawn together with other Liquidity Drawings will not exceed the Liquidity Commitment. This procedure will be repeated on each subsequent Note Payment Date, up to the amount of the relevant Liquidity Commitment, until all amounts outstanding under that Liquidity Facility Agreement are paid and/or repaid or until the Expected Note Maturity Date, or if earlier, the applicable Liquidity Facility Term Date, as the case may be.

Interest and fees

Liquidity Drawings and Stand-by Drawings will bear interest, which will be payable quarterly in arrear on each Note Payment Date. In certain circumstances, increased costs may also be payable by the Issuer.

Interest

The rate of interest payable to the Liquidity Facility Provider in relation to Liquidity Drawings and Stand-by Drawings made under the EUR Liquidity Facility will be a per annum rate equal to the sum of EURIBOR (determined in accordance with the EUR Liquidity Facility Agreement according to the length of interest period) plus a margin of 2.5 per cent. per annum (the **Liquidity Margin**) in respect of a Liquidity Drawing, or 2.0 per cent. per annum (the **Stand-by Margin**) in respect of a Stand-by Drawing.

The rate of interest payable to the Liquidity Facility Provider in relation to Liquidity Drawings and Stand-by Drawings made under the GBP Liquidity Facility will be a per annum rate equal to the sum of LIBOR (determined in accordance with the GBP Liquidity Facility Agreement according to the length of interest period) plus the Liquidity Margin (in respect of a Liquidity Drawing) or the Stand-by Margin (in respect of a Stand-by Drawing).

Commitment Fee

A commitment fee will accrue with respect to each Liquidity Facility on a daily basis at the rate of 1.25 per cent. per annum on the undrawn, uncanceled amount of the relevant Liquidity Commitment. Accrued commitment fee will be payable in arrears on each Note Payment Date.

Drawstop

Under the terms of the Liquidity Facility Agreements, a Liquidity Drawing cannot be made if the aggregate value of, with respect to the GBP Liquidity Facility, the UK Properties, or with respect to the EUR Liquidity Facility, the Dutch Property (based, in each case, on the Initial Valuation or, if a more recent Valuation is available, such Valuation) is less than the aggregate of:

- (A) three times the aggregate of (i) the GBP Share or EUR Share (as applicable) of all unpaid costs and expenses due to the Senior Finance Parties under the Senior Facility Agreement (including any due to any receiver or delegate), (ii) the GBP Share or EUR Share (as applicable) of all amounts then due or accrued but unpaid which comprise Issuer Priority Payments, (iii) all amounts due or accrued but unpaid to the Liquidity Facility Provider under the relevant Liquidity Facility Agreement (other than Liquidity Subordinated Amounts) and all amounts ranking in priority thereto in the relevant Pre-Enforcement Priority of Payments to the extent not already referred to under (A)(i) and (ii) above, excluding any Indemnified

Loss payable thereunder, in each case, if such date is not a Note Payment Date, as at the immediately following Note Payment Date, and (iv) the amount of the requested Liquidity Drawing to the extent not already referred to under (A)(iii) above; and

- (B) any Indemnified Loss due and unpaid, ranking in priority to all amounts due or accrued but unpaid to the Liquidity Facility Provider under the relevant Liquidity Facility Agreement (other than Liquidity Subordinated Amounts) under the relevant Pre-Enforcement Priority of Payments; and
- (C) the aggregate of the relevant then undrawn Liquidity Commitment immediately following such proposed Liquidity Drawing, assuming the proposed Liquidity Drawing is made.

Indemnified Loss means any amount payable by the Issuer to an Issuer Related Party pursuant to an indemnity for any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges other than Tax on the net income profit or gains of the relevant indemnified party) and including any irrecoverable VAT or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.

Tax gross up and indemnities

Subject to certain conditions, if a LF Tax Deduction is required by law to be made by the Issuer, the amount of the payment due from the Issuer must be increased by an amount (after making any LF Tax Deduction) that leaves an amount equal to the payment which would have been due if no LF Tax Deduction had been required.

Subject to certain conditions as set out in the relevant Liquidity Facility Agreement, the Issuer must pay to the Liquidity Facility Provider an amount equal to the loss, liability, or cost which it determines will be or has been (directly or indirectly) suffered for or on account of LF Tax by it in respect of a payment received or receivable (or any payment deemed to be received or receivable) under a Liquidity Document. In certain circumstances amounts will also be payable by the Issuer in respect of stamp taxes and VAT.

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

LF FATCA Deduction means a deduction or withholding from a payment under a Liquidity Document required by FATCA.

LF 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).

LF Tax Deduction means a deduction or withholding for or on account of LF Tax from a payment under a Liquidity Document other than a LF FATCA Deduction.

Liquidity Documents means the relevant Liquidity Facility Agreement, any fee letter delivered pursuant to that agreement, certain security documents and any other document designated as such upon agreement by the Liquidity Facility Provider.

Miscellaneous

Certain information relating to the Liquidity Facilities (including details of the making of any Liquidity Drawings, changes to the credit ratings of the Liquidity Facility Provider and renewals of the Liquidity Facility) will be provided to the Rating Agencies. The Liquidity Facility Agreements will be governed by English law.

The Liquidity Facility Provider

The Liquidity Facility Provider is JPMorgan Chase Bank NA, London Branch, which as of the Closing Date, will act as Liquidity Facility Provider in respect of the GBP Liquidity Facility and the EUR Liquidity Facility. However, in certain circumstances (as described above), JPMorgan Chase Bank, NA, London Branch may be replaced and it is possible that the replacement of the Liquidity Facility Provider in respect of either or both Liquidity Facilities may result in the GBP Liquidity Facility and the EUR Liquidity Facility being provided by separate providers

The information contained herein with respect to the Liquidity Facility Provider has been obtained from it. Delivery of this Prospectus will not create any implication that there has been no change in the affairs of the Liquidity Facility Provider since the date hereof or that the information contained or referred to herein is correct as of any time subsequent to this date.

DESCRIPTION OF THE CAP ARRANGEMENT

Cap Arrangements in respect of the Senior Facility Agreement

Each of Carolia Hospitality Limited (formerly City Inn Limited), Carolia Westminster Hotel Limited, Carolia Tower Hotel Limited and Carolia Amsterdam Hotel B.V. have entered into initial interest rate cap transactions with the Commonwealth Bank of Australia (as **Initial Cap Provider**), each of which is evidenced by a confirmation dated 18 December 2014 in the form of a long-form confirmation which supplements, forms part of and is subject to a 2002 ISDA Master Agreement (the **City Inn Limited Initial Interest Rate Cap Transaction**, the **Carolia Westminster Hotel Limited Initial Interest Rate Cap Transaction**, the **Carolia Tower Hotel Limited Initial Interest Rate Cap Transaction** and the **Carolia Amsterdam Hotel B.V. Initial Interest Rate Cap Transaction**, respectively, and together the **Initial Senior Interest Rate Cap Confirmations**). On 16 February 2015, Carolia Hospitality Limited (formerly City Inn Limited) novated the City Inn Limited Initial Interest Rate Cap Transaction to the Additional Senior Borrowers.

All other hedging transactions entered into in connection with the Senior Facility Agreement will either (i) form part of and be subject to, an ISDA master agreement or (ii) be in the form of a long-form confirmation which supplements, forms part of and is subject to an ISDA master agreement. In this Prospectus, we refer to each of the present or future documents entered into by any Senior Obligor and a hedge counterparty evidencing or relating to the hedging transactions referred to in the Senior Facility Agreement as a **Hedge Document**.

The Initial Senior Interest Rate Cap Transactions

In respect of the Carolia Westminster Hotel Limited Initial Interest Rate Cap Transaction and the Carolia Tower Hotel Limited Initial Interest Rate Cap Transaction and each calculation period specified therein, the Initial Cap Provider is required to pay to Carolia Westminster Hotel Limited and Carolia Tower Hotel Limited, as applicable, an amount equal to the excess (if any) on the rate of interest (set by reference to LIBOR for three-month sterling deposits above a strike rate of 3 per cent. per annum multiplied by the relevant notional amount (being as at the Closing Date not less than £93,247,297 and £171,051,989, respectively).

In respect of Carolia Amsterdam Hotel B.V. Initial Interest Rate Cap Transaction and each calculation period specified therein, the Initial Cap Provider is required to pay Carolia Amsterdam Hotel B.V. an amount equal to the excess (if any) on the rate of interest (set by reference to EURIBOR for three-month euro deposits above a strike rate of 3 per cent. per annum multiplied by the notional amount (being as at the Closing Date not less than €137,858,937). Carolia Amsterdam Hotel B.V. paid an initial fixed amount to the Initial Cap Provider on 22 December 2014 in respect of the Carolia Amsterdam Hotel B.V. Initial Interest Rate Cap Transaction.

Further Rate Cap Transactions

A condition of the Initial Senior Loan Repayment Date being extended to the First Extended Senior Loan Maturity Date or the Second Extended Senior Loan Maturity Date is that the Senior Obligors must enter into further hedging transactions with hedging counterparties. All such hedging transactions must comply with the required hedging conditions set out in the Senior Facility Agreement. In particular, all hedging transactions (which are or will be evidence by a Hedge Document) must:

- (i) provide for interest rate cap(s) with a weighted average strike rate on any day of no more than 3.00 per cent. per annum;
- (ii) be with a person or persons that have a Hedging Requisite Rating (defined below);

- (iii) be governed by English law and be based substantially on the form of an ISDA master agreement or a long-form confirmation based on an ISDA master agreement;
- (iv) permit the Senior Obligors to comply with the hedging termination provisions in the Senior Facility Agreement and set out in the subsections below entitled “—*Consequences of a Rating Downgrade of a Cap Provider*” and “—*Other Hedging Termination Rights of the Senior Obligors*”;
- (v) not contain any restrictions on granting any security over the relevant Senior Obligor’s rights under and in respect of such Hedge Document in favour of the Senior Finance Parties;
- (vi) provide for Loan EURIBOR and/or Loan LIBOR (as applicable) and Business Days to be determined on the same basis as for the Senior Facility Agreement; and
- (vii) provide for payments to the Senior Obligors to occur on the same dates as the Senior Loan Interest Payment Dates (together with the items in paragraphs (i) and (ii) below, the **Required Hedging Conditions**).

Additionally, in entering into such hedging transactions, the Senior Obligors must ensure that:

- (i) the aggregate notional amount of the hedging arrangements in respect of the Senior Loans in place is equal to not less than 100 per cent. of the outstanding principal amount of the Senior Loans (the **Hedging Notional Requirement**), and
- (ii) there is a combined and composite term expiring no earlier than the Final Senior Loan Repayment Date.

Consequences of a Rating Downgrade of a Cap Provider

If an interest rate cap provider (a **Cap Provider**) ceases to have at least one of the following ratings: a long term unsecured and unsubordinated debt rating of A (or better) by Fitch, a long term unsecured and unsubordinated debt rating of A2 (or better) by Moody’s or a long term unsecured and unsubordinated debt rating of A (or better) by S&P (**Hedging Requisite Rating**) (a **Hedge Downgrade Event**), the relevant Cap Provider shall, within 30 calendar days of the downgrade, either:

- (a) transfer an amount of collateral to the relevant Senior Obligor equal to 100 per cent. of the mark-to-market of the relevant transaction; or
- (b) obtain a replacement counterparty to the relevant interest rate cap that has the Hedging Requisite Rating.

If a Hedge Downgrade Event occurs, the relevant Senior Obligor shall procure that either:

- (i) each Hedge Document entered into with such Cap Provider is terminated or closed-out and new Hedge Documents are entered into on the terms required under the Senior Facility Agreement as soon as reasonably practicable but in any event within 30 days of notification by the Senior Facility Agent of the occurrence of such Hedge Downgrade Event and that it requires the Senior Obligors to comply with the requirements of this paragraph (i); or
- (ii) such Cap Provider grants Security in favour of the relevant Senior Obligor (and over which Transaction Security is granted in favour of the Senior Finance Parties) over an account into which it deposits (subject to any minimum transfer amounts and threshold (as each such term is defined in the form of ISDA credit support deed or credit support annex (as applicable)) agreed between the Senior Obligors (acting reasonably and in good faith) and that Cap

Provider an amount equal to the mark to market value (from time to time in accordance with the ISDA credit support deed or credit support annex (as applicable)) of such Cap Provider's obligations under each Hedge Document to which it is a party,

in each case as soon as reasonable practicable but in any event within 30 days of notification by the Senior Facility Agent of the occurrence of such Hedge Downgrade Event and that it requires the Senior Obligors to comply with the requirements described in this subsection. For the avoidance of doubt, it shall be at the relevant Senior Obligor's sole discretion as to whether it elects to procure compliance with sub paragraphs (i) or (ii) above in respect of each Hedge Downgrade Event and such compliance shall discharge the Senior Obligors' obligations under the Senior Finance Documents in respect of that Hedge Downgrade Event.

Other Hedging Termination Rights of the Senior Obligors

The Senior Obligors are not entitled to terminate or close out any hedging arrangements entered into pursuant to any Hedge Document except:

- (i) to comply with the requirements of paragraphs (i) and (ii) immediately above;
- (ii) if it becomes illegal for that Senior Obligor to continue to comply with its obligations under that Hedge Document or those hedging arrangements;
- (iii) if following such termination or close out the Senior Obligors will (a) have in place hedging arrangements which are or will be evidenced by Hedge Documents which comply with the Required Hedging Conditions and (B) otherwise be in compliance with the provisions relating to hedging contained within the Senior Facility Agreement;
- (iv) if the Senior Lender Liabilities have unconditionally and irrevocably been paid and discharged in full; or
- (v) with the prior written consent of the Majority Senior Lenders.

If any Hedge Document is terminated for the reason that it would be illegal for the relevant Senior Obligor to continue to comply with its obligations under that Hedge Document or those hedging arrangements, then that Senior Obligor shall, as soon as practicable and in any event within 30 days of the termination of the relevant Hedge Document, enter into Hedge Documents on the terms set out in the Senior Facility Agreement.

Amendments, supplements and waivers of Hedge Documents

Subject to the termination provisions described above, no Hedge Document may be amended, supplemented or waived without the prior written consent of the Majority Senior Lenders unless following such amendment, waiver or supplement the Senior Obligors will have in place hedging arrangements which are evidenced by Hedge Documents and which comply with (i) the Required Hedging Conditions and (ii) the general provisions of the Senior Facility Agreement relating to hedging (which have been summarised in this section of this Prospectus).

Cap Arrangements in respect of the Mezzanine Facility Agreement

The Mezzanine Facility Agreement contains equivalent cap arrangements to those outlined above in respect of the Senior Facility Agreement, except that:

- (i) the obligations which are expressed to be obligations of the Senior Obligors with respect to hedging are instead obligations of the Mezzanine Obligors;

- (ii) the references above to the Initial Senior Loan Repayment Date, the First Extended Repayment Date, the Second Extended Repayment Date and the Final Loan Repayment Date should instead be construed as references to the Initial Mezzanine Loan Repayment Date, the First Extended Mezzanine Loan Maturity Date, the Second Extended Mezzanine Loan Maturity Date and the Mezzanine Final Repayment Date respectively;
- (iii) the reference above to the Secured Liabilities should instead be construed as a reference to the Mezzanine Secured Liabilities; and
- (iv) the reference above to the Initial Senior Interest Rate Cap Calculation Period should instead be construed as a reference to the Initial Mezzanine Interest Rate Cap Calculation Period.

The Initial Mezzanine Interest Rate Cap Transactions

The Mezzanine Borrower has entered into two interest rate cap transactions with the Initial Cap Provider (the **Initial Mezzanine Interest Rate Cap Transactions**) evidenced by two confirmations, each dated 18 December 2014 (the **Initial Mezzanine Interest Rate Cap Confirmations**).

Pursuant to the Initial Mezzanine Interest Rate Cap Transactions, on each Mezzanine Loan Interest Payment Date, the Initial Cap Provider is required to pay to the Mezzanine Borrower the **Initial Mezzanine Interest Rate Cap Amount**, being an amount equal to the excess (if any) of the rate of interest (set by reference to three-month Loan LIBOR or Loan EURIBOR (as applicable)) above a strike rate of 3% multiplied by the relevant notional amount (being as at the Closing Date not less than £58,695,816 or €30,685,896 (as applicable)) in respect of the Initial Mezzanine Interest Rate Cap Calculation Period. The Mezzanine Borrower paid an initial fixed amount to the Initial Cap Provider on 22 December 2014 in respect of each of the Initial Mezzanine Interest Rate Cap Transactions.

THE STRUCTURE OF THE BANK ACCOUNTS

The Senior Borrowers' bank accounts:

Each Senior Borrower has opened and each is obliged to maintain the following accounts in its name:

- (i) *an Operating Account:* the relevant Hotel Manager has signing rights in respect of this account. All income and revenue (including VAT payments) derived from a Property are to be paid into the Operating Account. Once each month an instalment of the Owner's Return is paid to the relevant General Account, with certain amounts retained for working capital and FF&E reserve. An amount equal to the accrual for FF&E is paid to the FF&E Account for its Property;
- (ii) *a General Account:* each Senior Obligor has sole signing rights in respect of its General Account. Amounts in each General Account are swept to the relevant Collection Account each month, in accordance with the Senior Facility Agreement. Except when a Senior Loan Event of Default is continuing and subject to certain restrictions, each Senior Obligor may withdraw any amount from its General Account for any purpose in compliance with the Senior Finance Documents (including, without limitation, making a Permitted Distribution);
- (iii) *a Collection Account:* the Senior Facility Agent has sole signing rights in respect of each Collection Account. The Senior Facility Agent withdraws amounts from the Collection Account to make certain payments on each Senior Loan Interest Payment Date in accordance with the Senior Facility Agreement;
- (iv) *an FF&E Account:* the relevant Senior Borrower (or the Hotel Manager on its behalf) has signing rights in respect of this account. The Senior Borrower and or the Hotel Manager may withdraw monies from the FF&E Account for the purposes of payment of FF&E; and
- (v) *a Seasonality Reserve Account:* the Senior Facility Agent has sole signing rights in respect of this account. Amounts are to be transferred to the Seasonality Reserve Account in accordance with the Senior Facility Agreement. The Senior Facility Agent may withdraw amounts from the Seasonality Reserve Account to make certain payments on each Senior Loan Interest Payment Date.

In respect of Carolia Tower Hotel Limited and Carolia Westminster Hotel Limited, the various accounts are denominated in sterling. In respect of Carolia Amsterdam Hotel B.V., the accounts are denominated in euro.

Senior PledgeCo and Carolia Amsterdam Hotel B.V. have opened and are obliged to maintain the following accounts in its name:

- (i) *Senior Prepayment Accounts:* the Senior Facility Agent has sole signing rights in respect of these accounts. Senior PledgeCo and Carolia Amsterdam Hotel B.V. will transfer certain amounts to the Senior Prepayment Account in accordance with the Senior Facility Agreement. The Senior Facility Agent may withdraw amounts from the Senior Prepayment Account to make certain payments on each Senior Loan Interest Payment Date or otherwise in accordance with the Senior Facility Agreement;
- (ii) *Cash Trap Accounts:* the Senior Facility Agent has sole signing rights in respect of each Cash Trap Account. Amounts are to be transferred to the Cash Trap Account in accordance with the Senior Facility Agreement. The Senior Facility Agent may withdraw amounts from the Cash Trap Account to make certain payments; and

- (iii) *Equity Cure Accounts*: Senior PledgeCo and Carolia Amsterdam Hotel B.V. have each opened and is obliged to maintain the relevant Equity Cure Account in its name. The Senior Facility Agent has sole signing rights in respect of these accounts. Cure payments are to be paid to the Equity Cure Accounts in accordance with the Senior Facility Agreement. Depending on the circumstances at the relevant time, certain amounts standing to the credit of the Equity Cure Accounts are either to be transferred to the relevant General Account or used to prepay the Senior Loans.

In respect of Senior PledgeCo, the Senior Prepayment Account, the Cash Trap Account and the Equity Cure Account are denominated in sterling. In respect of Carolia Amsterdam Hotel B.V., such accounts are denominated in euro.

See the section entitled “*Bank Accounts*” within the section “*Description of the Facility Agreements—The Senior Facility Agreement*” for further details on the Borrower accounts.

Issuer’s Bank Accounts

The Issuer EUR Transaction Account

Pursuant to the Cash Management Agreement, the Account Bank will open and maintain the **Issuer EUR Transaction Account** into which all collections in respect of the Securitised EUR Loan will be paid. The Issuer and the Cash Manager will make payments out of the Issuer EUR Transaction Account in accordance with the terms of the Issuer Deed of Charge, the Cash Management Agreement and the Agency Agreement.

The Issuer GBP Transaction Account

Pursuant to the Cash Management Agreement, the Account Bank will open and maintain the **Issuer GBP Transaction Account** into which all collections in respect of the Securitised GBP Loan will be paid. The Issuer and the Cash Manager will make payments out of the Issuer GBP Transaction Account in accordance with the terms of the Issuer Deed of Charge, the Cash Management Agreement and the Agency Agreement.

The EUR Stand-by Account

Pursuant to the Cash Management Agreement, the Account Bank will open and maintain the **EUR Stand-by Account** into which all Stand-by Drawings under the EUR Liquidity Facility will be paid. The Issuer and the Cash Manager will make payments out of the EUR Stand-by Account in accordance with the terms of the Issuer Deed of Charge and the Cash Management Agreement.

The GBP Stand-by Account

Pursuant to the Cash Management Agreement, the Account Bank will open and maintain the **GBP Stand-by Account** (and together with the EUR Stand-by Account, the **Stand-by Accounts**) into which all Stand-by Drawings under the GBP Liquidity Facility will be paid. The Issuer and the Cash Manager will make payments out of the GBP Stand-by Account in accordance with the terms of the Issuer Deed of Charge and the Cash Management Agreement.

Other accounts

Such other accounts as the Cash Manager or the Issuer Security Trustee may require the Account Bank 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.

Termination and Resignation of the Account Bank

The Account Bank may resign as Account Bank under the Cash Management Agreement on at least 90 days' written notice, provided that a suitably qualified successor Account Bank has been appointed and, if no replacement has been appointed after two months of the date of the Account Bank's notice of resignation, the Account Bank may appoint a successor itself.

In addition, the Account Bank will promptly retire as Account Bank upon the passing of a GBP/EUR Ordinary Resolution requiring such retirement, provided the Noteholders ratify the appointment of a suitably qualified successor Account Bank and such replacement is appointed prior to the removal of the existing Account Bank.

The appointment of the Account Bank under the Cash Management Agreement may be terminated upon the expiry of not fewer than 90 days' written notice of termination pursuant to notice given by the Issuer (at any time prior to a Note Acceleration Notice being given and not withdrawn) or the Issuer Security Trustee to the Account Bank provided that on the expiry of such notice, (a) a successor acceptable to the Issuer and the Issuer Security Trustee shall have been appointed on the same terms as those of the Cash Management Agreement or such other terms as the Issuer and the Issuer Security Trustee may approve and (b) the then current rating of the Notes shall not be downgraded, withdrawn or qualified thereby.

If any of the following termination events occur in respect of the Account Bank:

- (a) the Account Bank fails to make when due a payment required to be made by it on behalf of the Issuer under the Cash Management Agreement; or
- (b) a material default by the Account Bank in the performance or observance of any of its other duties, obligations, covenants or services under the Cash Management Agreement and such default continues un-remedied for a period of ten Business Days after the earlier of the Account Bank becoming aware of such default or receipt by the Account Bank of written notice from the Issuer or the Issuer Security Trustee requiring the same to be remedied; or
- (c) certain insolvency or winding-up events occur with respect to the Account Bank; or
- (d) the Account Bank fails to maintain all appropriate licences, consents, approvals, authorisations and exemptions from and any registrations with, governmental and other regulatory authorities required by it to perform its obligations under the Cash Management Agreement,

the Issuer or the Issuer Security Trustee may immediately or at any time thereafter, if such default shall not have been remedied, by notice to the Account Bank terminate the appointment of such person as Account Bank under the Cash Management Agreement with effect from a date (not earlier than the date of the notice) specified in the notice but without prejudice to any of the then existing rights and liabilities of the parties to the Cash Management Agreement.

Ratings and Licences

In addition, if the Account Bank ceases to hold an appropriate banking licence and/or ceases to have the Account Bank Required Ratings, the Account Bank shall give written notice of such event to the Issuer, the Servicer, the Special Servicer, the Cash Manager and the Issuer Security Trustee, and the Account Bank shall, within 30 days of ceasing to hold the appropriate banking licence or such downgrade procure the transfer of any account held by the Issuer with the Account Bank to another bank which has the Account Bank Required Ratings after having obtained the prior written consent of the Issuer, the Servicer, the Special Servicer and the Issuer Security Trustee and subject to establishing substantially similar arrangements to the obligations of the Account Bank contained in the Cash Management Agreement.

If at the time when a transfer of such account or accounts would otherwise have to be made, there is no other bank which has the Account Bank Required Ratings or if no bank which has the Account Bank Required Ratings agrees to such a transfer, the Account Bank will consult with the Rating Agencies to consider alternative criteria for a replacement prior to the selection of a replacement (it being acknowledged that there is no obligation on any of the Rating Agencies to provide any advice or Rating Agency Confirmation).

The **Account Bank Required Ratings** are (i) a long-term rating for its unguaranteed, unsecured and unsubordinated debt obligations which is at least “A+” by S&P unless it has a short-term rating of at least “A-1” by S&P, in which case a long-term rating which is at least “A” by S&P; and (ii) a long-term rating of at least “A” by DBRS, or (ii) such lower debt rating as is commensurate with the highest rating assigned to a Most Senior Class of Notes from time to time as specifically provided for in the Cash Management Agreement and as set out in more detail in the table below:

S&P		DBRS	
Rating Assigned to the Most Senior Class of Notes	Account Bank Required Rating	Rating Assigned to the Most Senior Class of Notes	Account Bank Required Rating
AAAsf	A*	AAA (sf)	A
AA+sf	A*	AA (high) (sf)	A
Aasf	A-	AA (sf)	A
AA-sf	A-	AA (low) (sf)	A
A+sf	BBB+	A (high) (sf)	BBB (high)
Asf	BBB	A (sf)	BBB
A-sf	BBB-	A (low) (sf)	BBB (low)
BBB+sf	BBB-	BBB (high) (sf)	BBB (low)
BBBsf	BBB-	BBB (sf)	BBB (low)
BBB-sf	BBB-	BBB (low) (sf)	BBB (low)
BB+sf	BB+		
BBsf and below	At least as high as the Notes' rating		

* ‘A’ with an ‘A-1’ short-term rating, otherwise ‘A+’.

Cash Manager discretion

If, other than in the circumstances specified above, the Cash Manager wishes the bank or branch at which an Issuer Account is maintained to be changed, the Cash Manager shall obtain the prior written consent of the Issuer and the Issuer Security Trustee and the transfer of the Issuer Accounts and any other bank accounts held with the Account Bank shall be subject to the same directions and arrangements as are provided for above.

CASH MANAGEMENT

Cash Manager

Pursuant to the cash management agreement to be entered into on the Closing Date by, among others, the Issuer, the Servicer, the Special Servicer, the Cash Manager and the Issuer Security Trustee (the **Cash Management Agreement**, the Issuer will appoint the Cash Manager to be its agent to provide certain cash management services (in relation to each Issuer Transaction Account, GBP Stand-by Account, EUR Stand-by Account, and any other Issuer Accounts. The Cash Manager will undertake with the Issuer and the Issuer Security Trustee that in performing the services to be performed and in exercising its discretions under the Cash Management Agreement, the Cash Manager will perform such responsibilities and duties diligently and in conformity with the Issuer's obligations with respect to the transaction and that it will comply with any directions, orders and instructions which the Issuer or the Issuer Security Trustee may from time to time give to the Cash Manager in accordance with the Cash Management Agreement.

Account Bank and Issuer Accounts

Pursuant to the Cash Management Agreement, the Account Bank will open and maintain:

- (a) the Issuer GBP Transaction Account;
- (b) the Issuer EUR Transaction Account;
- (c) the GBP Stand-by Account;
- (d) the EUR Stand-by Account; and
- (e) such other accounts as the Cash Manager or the Issuer Security Trustee may require the Account Bank 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,

(together, the **Issuer Accounts**).

The Account Bank has agreed to comply with any direction of the Cash Manager, the Issuer or the Issuer Security Trustee to effect payments from the Issuer Accounts if such direction is made in accordance with the Cash Management Agreement and the mandate governing the applicable account.

Calculation of Amounts and Payments

On each Determination Date, the Cash Manager is required to determine all amounts due in accordance with the applicable Issuer Priority of Payments on the forthcoming Note Payment Date and the amounts available to make such payments. In addition, the Cash Manager will calculate the Principal Amount Outstanding for each Class of Notes for the relevant Note Interest Period commencing on the next following Note Payment Date and the amount of mandatory redemption due on each Class of Notes in accordance with Condition 7.2 (Mandatory Redemption from Principal Proceeds) on the next following Note Payment Date.

In addition, the Cash Manager will:

- (a) make all Liquidity Drawings and/or Stand-by Drawings on behalf of the Issuer, and make certain determinations required to be made in respect of the Liquidity Facilities;
- (b) from time to time, pay or procure to be paid on behalf of the Issuer all payments and expenses required to be paid by the Issuer to third parties, by way of Issuer Priority Payments or otherwise; and

- (c) make or procure to make all payments required to carry out an optional redemption of Notes pursuant to Condition 7.3 (Optional Redemption for tax and other reasons) or Condition 7.4 (Optional redemption in full), in each case according to the provisions of the relevant Condition.

If the Servicer or, as the case may be the Special Servicer fails to supply the Cash Manager with any information it requires to make these determinations, the Cash Manager will make its determinations based on the information provided to it by the Servicer or, as the case may be, the Special Servicer on the three preceding Servicer Loan Reporting Dates and will not be liable to any person (in the absence of negligence, fraud or wilful default) for the accuracy of such determinations.

Furthermore, if for whatever reason, an incorrect payment is made to any party entitled thereto (including the Noteholders of any Class) pursuant to the Pre-Enforcement Priorities of Payments, the Cash Manager will rectify the same by increasing or reducing payments to such party (including the Noteholders of any Class), as appropriate, on each subsequent Note Payment Date or Note Payment Dates (if applicable) to the extent that funds are available for such purposes on such Note Payment Dates. Where such an adjustment is required to be made, the Cash Manager will notify Noteholders of the same in accordance with the terms of Condition 16 (Notice to Noteholders). None of the Issuer, the Account Bank or the Cash Manager will have any liability to any person for making any such correction.

Eligible Investments

Pursuant to the Cash Management Agreement, the Issuer has instructed the Cash Manager to procure that monies on deposit in a Stand-by Account will (other than an amount of £250,000 or €250,000 (as applicable), which shall be retained on deposit in the relevant Stand-by Account) be invested in **Eligible Investments**, being money market funds denominated in the currency of the relevant Stand-by Account, which have an “AAAmf” long-term rating (or its equivalent) by S&P and an “AA (low)” long-term rating (or its equivalent) by DBRS for their unguaranteed, unsecured and unsubordinated debt obligations or such lower short-term or, as applicable, long-term debt rating as is commensurate with the rating assigned to the Notes from time to time.

Further, where the amounts standing to the credit of the Issuer EUR Transaction Account and/or the Issuer GBP Transaction Account at any time exceed one third of the aggregate amounts that will be payable on the next Note Payment Date in respect of the EUR Notes or the GBP Notes, respectively, the Issuer hereby instructs the Cash Manager to invest the excess of such amounts in Eligible Investments.

Cash Manager Quarterly Report

The Cash Manager will on each Note Payment Date make available electronically to the Issuer, the Issuer Security Trustee, the Note Trustee (for the benefit and on behalf of each Noteholder), the Servicer, the Special Servicer and the Rating Agencies, a statement to the Noteholders in respect of each Note Payment Date in which it will notify the recipients of, among other things, all amounts received in the Issuer GBP Transaction Account and the Issuer EUR Transaction Account (collectively, the **Issuer Transaction Accounts** and payments made with respect thereto (the **Cash Manager Quarterly Report**)).

The Cash Manager will publish each Cash Manager Quarterly Report on its website at www.usbank.com/abs.

It is not intended that the Cash Manager Quarterly Reports will be made available in any other format, save in certain limited circumstances with the Cash Manager’s agreement. The Cash Manager’s website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon.

Delegation by the Cash Manager

The Cash Manager will not be permitted to sub-contract or delegate the performance of any of its obligations under the Cash Management Agreement to any sub-contractor, agent, representative or delegate without the prior written consent of the Issuer (such consent not to be unreasonably withheld or delayed) and the Issuer Security Trustee. Any delegated or sub-contracted obligations, when the necessary consent is given, will not relieve the Cash Manager from any liability under the Cash Management Agreement.

Fees

Pursuant to the Cash Management Agreement, the Issuer will pay to the Cash Manager and the Account Bank on each Note Payment Date a fee as agreed between the Cash Manager, the Account Bank and the Issuer respectively, and will reimburse the Cash Manager and the Account Bank for all costs and expenses properly incurred by the Cash Manager and the Account Bank in the performance of their respective obligations under the Cash Management Agreement.

Termination of Appointment of the Cash Manager

The appointment of Elavon Financial Services Limited, UK Branch as Cash Manager under the Cash Management Agreement may be terminated by virtue of its resignation or its removal by the Issuer or the Issuer Security Trustee. Subject to certain conditions set out in the Cash Management Agreement, the Issuer (prior to a Note Acceleration Notice being given and not withdrawn) or the Issuer Security Trustee may terminate the Cash Manager's appointment upon not fewer than 90 days' written notice.

If, among other things:

- (a) the Cash Manager fails to make when due a payment required to be made by it on behalf of the Issuer under the Cash Management Agreement; or
- (b) a material default by the Cash Manager in the performance or observance of any of its other duties, obligations, covenants or services under the Cash Management Agreement and such default continues un-remedied for a period of ten Business Days after the earlier of the Cash Manager becoming aware of such default or receipt by the Cash Manager of written notice from the Issuer or the Issuer Security Trustee requiring the same to be remedied; or
- (c) certain insolvency or winding-up events occur with respect to the Cash Manager; or
- (d) the Cash Manager fails to maintain all appropriate licences, consents, approvals, authorisations and exemptions from and any registrations with, governmental and other regulatory authorities required by it to perform its obligations under the Cash Management Agreement,

the Issuer or the Issuer Security Trustee may immediately or at any time thereafter, if such default shall not have been remedied, by notice to the Cash Manager terminate the appointment of the Cash Manager under the Cash Management Agreement with effect from a date (not earlier than the date of the notice) specified in the notice but without prejudice to any of the then existing rights and liabilities of the parties to the Cash Management Agreement.

The Cash Manager may resign as Cash Manager upon not fewer than 90 days' written notice of resignation to each of the Issuer, the Servicer, the Special Servicer, the Account Bank and the Issuer Security Trustee, provided that a suitably qualified replacement Cash Manager, has been appointed and if no replacement has been appointed after two months, it may appoint the replacement itself.

The Noteholders may pursuant to a GBP/EUR Ordinary Resolution require the removal and replacement of the Cash Manager provided that the Noteholders ratify the appointment of a suitably qualified successor Cash Manager.

CASHFLOWS AND ISSUER PRIORITIES OF PAYMENTS

Source of funds

The repayment of principal and the payment of interest by the Senior Borrowers in respect of the Securitised GBP Loan will provide the principal source of funds for the Issuer to make payments of interest on and repayments of principal in respect of the GBP Notes and the repayment of principal and the payment of interest by the Senior Borrowers in respect of the Securitised EUR Loan will provide the principal source of funds for the Issuer to make payments of interest on and repayments of principal in respect of the EUR Notes.

Determination Date calculations

On each date which is three Business Days prior to each Note Payment Date (each, a **Determination Date**), the Cash Manager will be required, *inter alia*, to calculate, based on information provided to it by the Servicer (where applicable) on such Determination Date, the following:

- (a) all amounts due (or due on the immediately following Note Payment Date) in accordance with the Pre-Enforcement Priority of Payments, the Pre-Enforcement Principal Allocation Rules or the Post-Enforcement Priority of Payments, as applicable;
- (b) the amount of GBP Revenue Receipts, EUR Revenue Receipts, GBP Principal Receipts and EUR Principal Receipts (in each case, broken down by category) received during the Note Interest Period then ending (other than on the Note Payment Date falling at the start of such period), and expected to be received on or prior to the immediately following Note Payment Date;
- (c) the GBP Available Funds and EUR Available Funds available to the Issuer for distribution on the next following Note Payment Date;
- (d) the amount of any Interest Shortfall and the currency in which such shortfall arises, and whether any shortfall due by the Issuer to any of the Class GBP-E Noteholders, the Class GBP-F Noteholders, the Class EUR-D Noteholders and the Class EUR-E Noteholders is attributable to the Class GBP-E Available Funds Cap, the Class GBP-F Available Funds Cap, the Class EUR-D Available Funds Cap or the Class EUR-E Available Funds Cap, respectively;
- (e) the amount of Issuer Priority Payments to be made by the Issuer following such Note Payment Date, but prior to the next following Note Payment Date;
- (f) the amount available to the Issuer for GBP-X Certificates Distribution Amounts and EUR-X Certificates Distribution Amounts on the next following Note Payment Date;
- (g) the Principal Amount Outstanding for each Class of Notes for the Note Interest Period commencing on the next following Note Payment Date (in each case pursuant to Condition 7.7 (Redemption Amount and Principal Amount Outstanding)); and
- (h) the amount of any Liquidity Drawing which will be required to be made on the next following Note Payment Date.

For these purposes:

GBP Available Funds means, on any Note Payment Date (and without double counting), an amount equal to the aggregate of:

- (a) the GBP Revenue Receipts and the GBP Principal Receipts standing to the credit of the Issuer GBP Transaction Account at the close of business on the Business Day immediately prior to the Determination Date immediately preceding such Note Payment Date;
- (b) the amount retained on deposit in the Issuer GBP Transaction Account in accordance with paragraph (x) (Default Interest Withheld Amount) of the Pre-Enforcement Priority of Payments on the immediately preceding Note Payment Date; and
- (c) all Expenses Drawings and Interest Drawings relevant to the GBP Notes which are received by the Issuer and standing to the credit of the Issuer GBP Transaction Account on such Note Payment Date.

GBP Revenue Receipts means:

- (a) all amounts in whatever currency of whatever nature received by or on behalf of or recovered by the Issuer under or in respect of the Securitised GBP Loan, whether by way of interest (including overdue interest), fees (including Senior GBP Loan Prepayment Fees), expenses, commissions, costs and indemnities (including Break Costs), including recovery of any such amounts on enforcement of the Senior Loan Security in respect of the Securitised GBP Loan, and receipt of any such amounts on a repurchase of the Securitised GBP Loan by the Loan Seller pursuant to the terms of the Loan Sale Agreement or upon a purchase by the Servicer of the Securitised GBP Loan and its Senior Loan Security pursuant to the Servicing Agreement, other than (in all cases) GBP Principal Receipts; and
- (b) 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) received in whatever currency in connection with the Securitised GBP Loan or any Eligible Investments or Issuer Account denominated in GBP 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, other than (in all cases) GBP Principal Receipts.

GBP Principal Receipts means, on any day, all amounts of principal received in whatever currency by or on behalf of the Issuer in respect of any repayment or prepayment of the Securitised GBP Loan whether as a result of a voluntary or mandatory repayment or prepayment, including, without limitation, all amounts received or recovered by or on behalf of the Issuer in respect of (other than, in all cases, amounts constituting the repayment of Property Protection Advances with respect to the Securitised GBP Loan):

- (a) prepayments and/or repayments of principal received by or on behalf of the Issuer in respect of the Securitised GBP Loan;
- (b) amounts recovered in respect of the Securitised GBP Loan which are applied towards the reduction of outstanding principal as a result of any action taken to enforce the Securitised GBP Loan and/or the Senior Loan Security; and
- (c) upon a purchase of the Securitised GBP Loan by the Loan Seller pursuant to the terms of the Loan Sale Agreement or upon a purchase by the Servicer of the Securitised GBP Loan and its Senior Loan Security pursuant to the Servicing Agreement, the portion of the purchase price for the Securitised GBP Loan (net of any costs or expenses of purchase) which does not constitute GBP Revenue Receipts.

EUR Available Funds means, on any Note Payment Date (and without double counting), an amount equal to the aggregate of:

- (a) the EUR Revenue Receipts and the EUR Principal Receipts standing to the credit of the Issuer EUR Transaction Account at the close of business on the Business Day immediately prior to the Determination Date immediately preceding such Note Payment Date;
- (b) the amount retained on deposit in the Issuer EUR Transaction Account in accordance with paragraph (x) (Default Interest Withheld Amount) of the Pre-Enforcement Priority of Payments on the immediately preceding Note Payment Date; and
- (c) all Expenses Drawings and Interest Drawings relevant to the EUR Notes which are received by the Issuer and standing to the credit of the Issuer EUR Transaction Account on such Note Payment Date.

EUR Revenue Receipts means:

- (a) all amounts in whatever currency of whatever nature received by or on behalf of or recovered by the Issuer under or in respect of the Securitised EUR Loan, whether by way of interest (including overdue interest), fees (including Senior EUR Loan Prepayment Fees), expenses, commissions, costs and indemnities (including Break Costs), including recovery of any such amounts on enforcement of the Senior Loan Security in respect of the Securitised EUR Loan, and receipt of any such amounts on a repurchase of the Securitised EUR Loan by the Loan Seller pursuant to the terms of the Loan Sale Agreement or upon a purchase by the Servicer of the Securitised EUR Loan and its Senior Loan Security pursuant to the Servicing Agreement, other than (in all cases) EUR Principal Receipts; and
- (b) 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) received in whatever currency in connection with the Securitised EUR Loan or any Eligible Investments or Issuer Account denominated in EUR during such period by the Issuer, to the extent that the Issuer is not required to pass on such income, payment of distribution to a specified party under the terms of any Issuer Transaction Documents, other than (in all cases) EUR Principal Receipts.

EUR Principal Receipts means, on any day, all amounts of principal received in whatever currency by or on behalf of the Issuer in respect of any repayment or prepayment of the Securitised EUR Loan whether as a result of a voluntary or mandatory repayment or prepayment, including, without limitation, all amounts received or recovered by or on behalf of the Issuer in respect of (other than, in all cases, amounts constituting the repayment of Property Protection Advances with respect to the Securitised EUR Loan):

- (a) prepayments and/or repayments of principal received by or on behalf of the Issuer in respect of the Securitised EUR Loan;
- (b) amounts recovered in respect of the Securitised EUR Loan which are applied towards the reduction of outstanding principal as a result of any action taken to enforce the Securitised EUR Loan and/or the Senior Loan Security; and
- (c) upon a purchase of the Securitised EUR Loan by the Loan Seller pursuant to the terms of the Loan Sale Agreement or upon a purchase by the Servicer of the Securitised EUR Loan and its Senior Loan Security pursuant to the Servicing Agreement, the portion of the purchase price for the Securitised EUR Loan (net of any costs or expenses of purchase) which does not constitute EUR Revenue Receipts.

Transfer of funds to the relevant Issuer Transaction Account and application by the Issuer

On each Senior Loan Interest Payment Date, the Servicer will transfer (or procure the transfer) from the relevant Control Account to the relevant Issuer Transaction Account an amount equal to the aggregate amounts in respect of interest, principal, fees, Senior Loan Prepayment Fees and other amounts, if any, then payable to the Issuer under the Senior Facility Agreement (to the extent that such funds are available in such Control Account(s)), such funds to be utilised by or on behalf of the Issuer to make payments to, among others, the Noteholders in accordance with, as applicable, the Pre-Enforcement Priorities of Payments or (following the service of a Note Acceleration Notice) in accordance with the Post-Enforcement Priority of Payments, in each case as further described below.

On each Note Payment Date on which any Note is outstanding following the application of the GBP Available Funds or the EUR Available Funds, as applicable, in accordance with items (a) to (w) of the relevant Pre-Enforcement Priority of Payments, an amount of the remaining GBP Available Funds or EUR Available Funds, as applicable, up to the GBP Default Interest Withheld Amount or EUR Default Interest Withheld Amount, as applicable, will be retained on deposit in the relevant Issuer Transaction Account in accordance with item (aa) of the relevant Pre-Enforcement Priority of Payments.

GBP Default Interest Withheld Amount means, on each Note Payment Date, the aggregate of (i) the amount of GBP Revenue Receipts on the immediately preceding Determination Date comprising the payment of GBP Loan Default Interest received by the Issuer during the immediately preceding Collection Period; and (ii) the amount credited to the Issuer GBP Transaction Account on the immediately preceding Note Payment Date pursuant to item (aa) of the GBP Pre-Enforcement Priority of Payments.

GBP Loan Default Interest means the excess of the interest accruing on the Securitised GBP Loan at the default interest rate in accordance with the Senior Facility Agreement over the interest accruing on the Securitised GBP Loan at the pre-default interest rate.

EUR Default Interest Withheld Amount means, on each Note Payment Date, the aggregate of (i) the amount of EUR Revenue Receipts on the immediately preceding Determination Date comprising the payment of EUR Loan Default Interest received by the Issuer during the immediately preceding Collection Period; and (ii) the amount credited to the Issuer EUR Transaction Account on the immediately preceding Note Payment Date pursuant to item (aa) of the EUR Pre-Enforcement Priority of Payments.

EUR Loan Default Interest means the excess of the interest accruing on the Securitised EUR Loan at the default interest rate in accordance with the Senior Facility Agreement over the interest accruing on the Securitised EUR Loan at the predefault interest rate.

Issuer Priority Payments

The Issuer (or the Cash Manager on behalf of the Issuer) will be authorised and instructed to pay any amounts described in paragraph (b) of the Pre-Enforcement Priority of Payments (other than amounts payable to Issuer Related Parties) (such payments together referred to as, the **Issuer Priority Payments**) from any amounts constituting GBP Revenue Receipts or EUR Revenue Receipts, as applicable, standing to the credit of the relevant Issuer Transaction Account in priority to all other payments required to be made by the Issuer on any day, other than a Note Payment Date, on which such Issuer Priority Payments are payable.

Pre-Enforcement Principal Allocation Rules

Prior to the service of a Note Acceleration Notice, on each Note Payment Date in accordance with the relevant Pre-Enforcement Priority of Payments, unless previously redeemed in full and cancelled, each Class of GBP Notes is subject to mandatory early redemption in part in an amount not exceeding the GBP Principal Distribution Amount allocated to such Class on such Note Payment Date, and each Class of EUR Notes is subject to mandatory early redemption in part in an amount not exceeding the EUR Principal Distribution Amount allocated to such Class on such Note Payment Date.

GBP Pre-Enforcement Principal Allocation Rules

The following provisions describe the allocation of principal to the GBP Notes, subject to the GBP Pre-Enforcement Priority of Payments:

GBP Pro Rata Principal Distribution Amount

The GBP Pro Rata Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a GBP Sequential Payment Trigger will, prior to the allocation of the GBP Reverse-Sequential Principal Distribution Amounts and the GBP Sequential Principal Distribution Amounts, be allocated *pro rata* to the outstanding GBP Notes.

GBP Sequential Principal Distribution Amounts

The GBP Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a GBP Sequential Payment Trigger will be allocated to the outstanding GBP Notes, after the allocation of the GBP Pro Rata Principal Distribution Amounts and the GBP Reverse-Sequential Principal Distribution Amount, sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

GBP Reverse-Sequential Principal Distribution Amounts

The GBP Reverse-Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a GBP Sequential Payment Trigger will be allocated to the outstanding GBP Notes: (a) prior to the allocation of the GBP Sequential Principal Distribution Amounts, and (b) after the allocation of the GBP Pro Rata Principal Distribution Amounts, reverse sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

Distributions following the occurrence of a GBP Sequential Payment Trigger

On each Note Payment Date following the occurrence of a GBP Sequential Payment Trigger, the whole of the aggregate GBP Principal Distribution Amount as determined on the immediately preceding Determination Date will be allocated sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

GBP Principal Distribution Amount means, for any Note Payment Date, the sum, without duplication, of all principal receipts in respect of the Securitised GBP Loan actually received by or on behalf of the Issuer during the Collection Period related to such Note Payment Date and will comprise, for the avoidance of doubt, the GBP Pro Rata Principal Distribution Amount, the GBP Sequential Principal Distribution Amount and the GBP Reverse-Sequential Principal Distribution Amount.

GBP-A Principal Distribution Amount means the sum of that portion of the GBP Sequential Principal Distribution Amount, the GBP Reverse-Sequential Principal Distribution Amount and the GBP Pro Rata Principal Distribution Amount, allocated to the Class GBP-A Notes on such Note Payment Date.

GBP-B Principal Distribution Amount means the sum of that portion of the GBP Sequential Principal Distribution Amount, the GBP Reverse-Sequential Principal Distribution Amount and the GBP Pro Rata Principal Distribution Amount, allocated to the Class GBP-B Notes on such Note Payment Date.

GBP-C Principal Distribution Amount means the sum of that portion of the GBP Sequential Principal Distribution Amount, the GBP Reverse-Sequential Principal Distribution Amount and the GBP Pro Rata Principal Distribution Amount, allocated to the Class GBP-C Notes on such Note Payment Date.

GBP-D Principal Distribution Amount means the sum of that portion of the GBP Sequential Principal Distribution Amount, the GBP Reverse-Sequential Principal Distribution Amount and the GBP Pro Rata Principal Distribution Amount, allocated to the Class GBP-D Notes on such Note Payment Date.

GBP-E Principal Distribution Amount means the sum of that portion of the GBP Sequential Principal Distribution Amount, the GBP Reverse-Sequential Principal Distribution Amount and the GBP Pro Rata Principal Distribution Amount, allocated to the Class GBP-E Notes on such Note Payment Date.

GBP-F Principal Distribution Amount means the sum of that portion of the GBP Sequential Principal Distribution Amount, the GBP Reverse-Sequential Principal Distribution Amount and the GBP Pro Rata Principal Distribution Amount, allocated to the Class GBP-F Notes on such Note Payment Date.

The **GBP Pro Rata Principal Distribution Amount**, as determined on any Determination Date, means: (i) if a GBP Sequential Payment Trigger will exist on the next following Note Payment Date, zero; or (ii) if no GBP Sequential Payment Trigger will exist on such Note Payment Date, an amount equal to the GBP Distribution Amount.

GBP Distribution Amount, as determined on any Determination Date, means the amount of principal receipts collected on the Securitised GBP Loan that are received by the Issuer in connection with any Permitted Property Disposal Prepayment Proceeds (which includes, for the avoidance of doubt the, Senior Allocated Loan Amount and any Senior ALA Excess) and any Expropriation Proceeds and/or any Insurance Proceeds, but only in circumstances where such Expropriation Proceeds or, as applicable, Insurance Proceeds are in respect of a Property or Properties and equal or exceed the Senior Allocated Loan Amount of such Property or Properties.

GBP Reverse-Sequential Principal Distribution Amount, as determined on any Determination Date, means: (i) if a GBP Sequential Payment Trigger will exist on the next Note Payment Date, zero; or (ii) if no GBP Sequential Payment Trigger will exist on the next Note Payment Date, an amount equal to the principal receipts collected on the Securitised GBP Loan that are voluntary prepayments (including, for avoidance of doubt, any voluntary prepayment resulting from a voluntary prepayment of the Senior GBP Loan under Clause 7.7(h) of the Senior Facility Agreement) and are not GBP Distribution Amounts, GBP Amortisation Funds or GBP Recovery Proceeds.

GBP Amortisation Funds means the amount of any principal receipts collected on the Securitised GBP Loan representing any GBP Recovery Proceeds, Insurance Proceeds (to the extent such Insurance Proceeds are not GBP Distribution Amount), Recovery Proceeds (to the extent such Recovery Proceeds are not GBP Distribution Amount), Excluded Insurance Proceeds (to the extent

applied to repay the Senior GBP Loans), Excluded Recovery Proceeds (to the extent applied to repay the Senior GBP Loans), Equity Cure Amount, Sweep Cash Trap Amount, Surplus GBP PRPD Amounts, any prepayment required to be made as a result of any change of control and any repayment of principal made on the Final Senior Loan Repayment Date, in each case in respect of the Senior GBP Loans.

GBP Sequential Principal Distribution Amount, as determined on any Determination Date, means the (i) if a GBP Sequential Payment Trigger will exist on such Note Payment Date, the GBP Principal Distribution Amount, and (ii) if no GBP Sequential Payment Trigger will exist on such Note Payment Date, the GBP Principal Distribution Amount less the GBP Pro Rata Principal Distribution Amount (other than Surplus GBP PRPD Amounts) and the GBP Reverse-Sequential Principal Distribution Amounts (and will include, for the avoidance of doubt, any GBP Amortisation Funds).

If the amount of the GBP Pro Rata Principal Distribution Amount which would otherwise be allocated to any Class of GBP Notes exceeds the Principal Amount Outstanding of that Class of GBP Notes at the relevant time or if there are surplus GBP Pro Rata Principal Distribution Amounts which remain unallocated as a result of a Class of GBP Notes having been redeemed in full prior to such Determination Date, the amount of such surplus (the **Surplus GBP PRPD Amounts**) will be allocated sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

A **GBP Sequential Payment Trigger** means the first to occur of:

- (a) a Note Payment Date with respect to the GBP Notes after the Expected Note Maturity Date;
- (b) a Special Servicing Transfer Event with respect to the Securitised GBP Loan; and
- (c) the delivery of a Note Acceleration Notice in relation to the GBP Notes.

These are referred to as the **GBP Pre-Enforcement Principal Allocation Rules**.

EUR Pre-Enforcement Principal Allocation Rules

The following provisions describe the allocation of principal to the EUR Notes, subject to the EUR Pre-Enforcement Priority of Payments:

EUR Pro Rata Principal Distribution Amount

The EUR Pro Rata Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a EUR Sequential Payment Trigger will, prior to the allocation of the EUR Reverse-Sequential Principal Distribution Amounts and the EUR Sequential Principal Distribution Amounts, be allocated *pro rata* to the outstanding EUR Notes.

EUR Sequential Principal Distribution Amounts

The EUR Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a EUR Sequential Payment Trigger will be allocated to the outstanding EUR Notes, after the allocation of the EUR Pro Rata Principal Distribution Amounts and the EUR Reverse-Sequential Principal Distribution Amount, sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.

EUR Reverse-Sequential Principal Distribution Amounts

The EUR Reverse-Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a EUR Sequential Payment Trigger will be allocated to the outstanding EUR Notes: (a) prior to the allocation of the EUR Sequential Principal Distribution Amounts, and (b) after the allocation of the EUR Pro Rata Principal Distribution Amounts, reverse sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.

Distributions following the occurrence of a EUR Sequential Payment Trigger

On each Note Payment Date following the occurrence of a EUR Sequential Payment Trigger, the whole of the aggregate EUR Principal Distribution Amount as determined on the immediately preceding Determination Date will be allocated sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.

EUR Principal Distribution Amount means, for any Note Payment Date, the sum, without duplication, of all principal receipts in respect of the Securitised EUR Loan actually received by or on behalf of the Issuer during the Collection Period related to such Note Payment Date and will comprise, for the avoidance of doubt, the EUR Pro Rata Principal Distribution Amount, the EUR Sequential Principal Distribution Amount and the EUR Reverse-Sequential Principal Distribution Amount.

EUR-A Principal Distribution Amount means the sum of that portion of the EUR Sequential Principal Distribution Amount, the EUR Reverse-Sequential Principal Distribution Amount and the EUR Pro Rata Principal Distribution Amount, allocated to the Class EUR-A Notes on such Note Payment Date.

EUR-B Principal Distribution Amount means the sum of that portion of the EUR Sequential Principal Distribution Amount, the EUR Reverse-Sequential Principal Distribution Amount and the EUR Pro Rata Principal Distribution Amount, allocated to the Class EUR-B Notes on such Note Payment Date.

EUR-C Principal Distribution Amount means the sum of that portion of the EUR Sequential Principal Distribution Amount, the EUR Reverse-Sequential Principal Distribution Amount and the EUR Pro Rata Principal Distribution Amount, allocated to the Class EUR-C Notes on such Note Payment Date.

EUR-D Principal Distribution Amount means the sum of that portion of the EUR Sequential Principal Distribution Amount, the EUR Reverse-Sequential Principal Distribution Amount and the EUR Pro Rata Principal Distribution Amount, allocated to the Class EUR-D Notes on such Note Payment Date.

EUR-E Principal Distribution Amount means the sum of that portion of the EUR Sequential Principal Distribution Amount, the EUR Reverse-Sequential Principal Distribution Amount and the EUR Pro Rata Principal Distribution Amount, allocated to the Class EUR-E Notes on such Note Payment Date.

The **EUR Pro Rata Principal Distribution Amount**, as determined on any Determination Date, means: (i) if a EUR Sequential Payment Trigger will exist on the next following Note Payment Date, zero; or (ii) if no EUR Sequential Payment Trigger will exist on such Note Payment Date, an amount equal to the EUR Distribution Amount.

EUR Distribution Amount, as determined on any Determination Date, means the amount of principal receipts collected on the Securitised EUR Loan that are received by the Issuer in connection with any Permitted Property Disposal Prepayment Proceeds (which includes, for the avoidance of

doubt the, Senior Allocated Loan Amount and any Senior ALA Excess) and any Expropriation Proceeds and/or any Insurance Proceeds, but only in circumstances where such Expropriation Proceeds or, as applicable, Insurance Proceeds are in respect of a Property or Properties and equal or exceed the Senior Allocated Loan Amount of such Property or Properties.

EUR Reverse-Sequential Principal Distribution Amount, as determined on any Determination Date, means: (i) if a EUR Sequential Payment Trigger will exist on the next Note Payment Date, zero; or (ii) if no EUR Sequential Payment Trigger will exist on the next Note Payment Date, an amount equal to the principal receipts collected on the Securitised EUR Loan that are voluntary prepayments (including, for avoidance of doubt, any voluntary prepayment resulting from a voluntary prepayment of the Senior EUR Loan under Clause 7.7(h) of the Senior Facility Agreement) and are not EUR Distribution Amounts, EUR Amortisation Funds or EUR Recovery Proceeds.

EUR Amortisation Funds means the amount of any principal receipts collected on the Securitised EUR Loan representing any EUR Recovery Proceeds, Insurance Proceeds (to the extent such Insurance Proceeds are not EUR Distribution Amount), Recovery Proceeds (to the extent such Recovery Proceeds are not EUR Distribution Amount), Excluded Insurance Proceeds (to the extent applied to repay the Senior EUR Loan), Excluded Recovery Proceeds (to the extent applied to repay the Senior EUR Loan), Equity Cure Amount, Sweep Cash Trap Amount, Surplus EUR PRPD Amounts, any prepayment required to be made as a result of any change of control and any repayment of principal made on the Final Senior Loan Repayment Date, in each case in respect of the Senior EUR Loan.

EUR Sequential Principal Distribution Amount, as determined on any Determination Date, means the (i) if a EUR Sequential Payment Trigger will exist on such Note Payment Date, the EUR Principal Distribution Amount, and (ii) if no EUR Sequential Payment Trigger will exist on such Note Payment Date, the EUR Principal Distribution Amount less the EUR Pro Rata Principal Distribution Amount (other than Surplus EUR PRPD Amounts) and the EUR Reverse-Sequential Principal Distribution Amounts (and will include, for the avoidance of doubt, any EUR Amortisation Funds).

If the amount of the EUR Pro Rata Principal Distribution Amount which would otherwise be allocated to any Class of EUR Notes exceeds the Principal Amount Outstanding of that Class of EUR Notes at the relevant time or if there are surplus EUR Pro Rata Principal Distribution Amounts which remain unallocated as a result of a Class of EUR Notes having been redeemed in full prior to such Determination Date, the amount of such surplus (the **Surplus EUR PRPD Amounts**) will be allocated sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.

A **EUR Sequential Payment Trigger** means the first to occur of:

- (a) a Note Payment Date with respect to the EUR Notes after the Expected Note Maturity Date;
- (b) a Special Servicing Transfer Event with respect to the Securitised EUR Loan; and
- (c) the delivery of a Note Acceleration Notice in relation to the EUR Notes.

These are referred to as the **EUR Pre-Enforcement Principal Allocation Rules** and together with the GBP Pre-Enforcement Principal Allocation Rules, the **Pre-Enforcement Principal Allocation Rules**.

Issuer Priorities of Payments

Issuer Priority of Payments or **Issuer Priorities of Payments** refers to the GBP Pre-Enforcement Priority of Payments, the EUR Pre-Enforcement Priority of Payments, the GBP Post-Enforcement Priority of Payments and the GBP Post-Enforcement Priority of Payments.

GBP Pre-Enforcement Priority of Payments

Prior to the service of a Note Acceleration Notice, on each Note Payment Date, the Cash Manager will apply GBP Available Funds for that Note Payment Date (subject to the prior payment of the Issuer Priority Payments as described above and subject to the rules described in “—*Distribution of Principal Amounts*” above), in the manner and in order of priority set out as follows (such priority, the **GBP Pre-Enforcement Priority of Payments** and together with the EUR Pre-Enforcement Priority of Payments, the **Pre-Enforcement Priorities of Payments**), together with (if payable and due under the relevant document) 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 GBP Share of the fees or other remuneration of (and amounts payable in respect of indemnities) and any costs, charges, liabilities and expenses (including legal fees 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 by way of indemnity) pursuant to the Issuer Transaction Documents;⁽¹⁾
- (b) *second* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the GBP Share of the amounts (including, but not limited to, tax advisor 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 Notes are then listed, fees due to Rating Agencies 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 Issuer Transaction Documents and not provided for payment elsewhere in this Pre-Enforcement Priority of Payments, and to provide for any such amounts expected to become due and payable by the Issuer after that Note Payment Date but prior to the next Note Payment Date, including to provide for the Issuer’s liability or potential liability for corporation tax;⁽¹⁾
- (c) *third* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the GBP Share of (i) all amounts due in connection with the listing and to the Listing Agent, (ii) all amounts due to the Servicer or the Special Servicer, as applicable under the Servicing Agreement, (iii) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Account Bank under the Cash Management Agreement (including by way of indemnity), (iv) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Cash Manager under the Cash Management Agreement (including by way of indemnity), (v) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Agents under the Agency Agreement (including by way of indemnity), (vi) all costs, charges, expenses (including legal fees and expenses), liabilities

and all other amounts due to the Registrar under the Agency Agreement (including by way of indemnity), and (vii) all amounts due to the Corporate Services Provider under the Corporate Services Agreement;⁽¹⁾

- (d) *fourth* in or towards amounts due on account of any financing obtained by the Servicer or the Special Servicer on behalf of the Issuer as authorised pursuant to the Servicing Agreement;⁽¹⁾
- (e) *fifth* all amounts due to the Liquidity Facility Provider under the GBP Liquidity Facility other than the GBP Liquidity Subordinated Amounts;
- (f) *sixth* to retain an amount equal to the GBP Issuer Profit Element;⁽²⁾
- (g) *seventh* in or towards satisfaction on a *pro rata* and *pari passu* basis of (i) in the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due in respect of the Class GBP-A Notes; and (ii) if no Class X Trigger Event has occurred, in paying the GBP-X Certificates Distribution Amount in respect of the GBP-X Certificates;
- (h) *eighth* in or towards satisfaction, on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of all amounts due to the advisors of the Noteholders approved by the Servicer or the Special Servicer pursuant to the Servicing Agreement;
- (i) *ninth* to repay all principal due or overdue on the Class GBP-A Notes in an amount equal to the lesser of the GBP-A Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class GBP-A Notes until the Class GBP-A Notes have been fully redeemed;
- (j) *tenth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including GBP Deferred Interest not comprising deferred Note LIBOR Excess Amounts) in respect of the Class GBP-B Notes;
- (k) *eleventh* to repay all principal due or overdue on the Class GBP-B Notes in an amount equal to the lesser of the GBP-B Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class GBP-B Notes until the Class GBP-B Notes have been fully redeemed;
- (l) *twelfth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including GBP Deferred Interest not comprising deferred Note LIBOR Excess Amounts) in respect of the Class GBP-C Notes;
- (m) *thirteenth* to repay all principal due or overdue on the Class GBP-C Notes in an amount equal to the lesser of the GBP-C Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class GBP-C Notes until the Class GBP-C Notes have been fully redeemed;

- (n) *fourteenth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including GBP Deferred Interest not comprising deferred Note LIBOR Excess Amounts) in respect of the Class GBP-D Notes;
- (o) *fifteenth* to repay all principal due or overdue on the Class GBP-D Notes in an amount equal to the lesser of the GBP-D Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class GBP-D Notes until the Class GBP-D Notes have been fully redeemed;
- (p) *sixteenth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including GBP Deferred Interest not comprising deferred Note LIBOR Excess Amounts) in respect of the Class GBP-E Notes;
- (q) *seventeenth* to repay all principal due or overdue on the Class GBP-E Notes in an amount equal to the lesser of the GBP-E Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class GBP-E Notes until the Class GBP-E Notes have been fully redeemed;
- (r) *eighteenth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including GBP Deferred Interest not comprising deferred Note LIBOR Excess Amounts) in respect of the Class GBP-F Notes;
- (s) *nineteenth* to repay all principal due or overdue on the Class GBP-F Notes in an amount equal to the lesser of the GBP-F Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class GBP-F Notes until the Class GBP-F Notes have been fully redeemed;
- (t) *twentieth* any amounts due to the Liquidity Facility Provider in respect of GBP Liquidity Subordinated Amounts;
- (u) *twenty-first* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note LIBOR Excess Amounts due in respect of the Class GBP-A Notes;
- (v) *twenty-second* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note LIBOR Excess Amounts due in respect of the Class GBP-B Notes;
- (w) *twenty-third* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note LIBOR Excess Amounts due in respect of the Class GBP-C Notes;
- (x) *twenty-fourth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note LIBOR Excess Amounts due in respect of the Class GBP-D Notes;

- (y) *twenty-fifth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note LIBOR Excess Amounts due in respect of the Class GBP-E Notes;
- (z) *twenty-sixth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note LIBOR Excess Amounts due in respect of the Class GBP-F Notes;
- (aa) *twenty-seventh* if any Class of Notes is still outstanding, an amount up to the GBP Default Interest Withheld Amount to be credited to the Issuer GBP Transaction Account;
- (bb) *twenty-eighth* if a Class X Trigger Event has occurred, in paying any Subordinated Class GBP-X Certificates Amounts in respect of the GBP-X Certificates; and
- (cc) *twenty-ninth* in payment of the surplus (if any) to the Loan Seller by way of Additional Deferred Consideration for the purchase of the Securitised GBP Loan.

⁽¹⁾ Such amounts to be allocated *pro rata* to the GBP Available Funds and the EUR Available Funds across the GBP Notes and the EUR Notes. Such *pro rata* amount allocated to the GBP Notes (the **GBP Share**), other than certain fees payable to the Special Servicer allocable to the Securitised GBP Loan which shall be paid in full pursuant to (c) above, together with the amounts in paragraph (d) above, are the **GBP Administrative Fees**.

Appointees means, for the purposes of item (a) of each Issuer Priority of Payments, any attorney, manager, agent, delegate, nominee, custodian or other person appointed by the Note Trustee under the Trust Deed or any examiner, attorney, manager, receiver, agent, delegate, nominee, custodian or other person appointed by the Issuer Security Trustee under the Issuer Deed of Charge.

⁽²⁾ The **GBP Issuer Profit Element** is an amount equal to a one quarter share of £700 per annum.

EUR Pre-Enforcement Priority of Payments

Prior to the service of a Note Acceleration Notice, on each Note Payment Date, the Cash Manager will apply EUR Available Funds for that Note Payment Date (subject to the prior payment of the Issuer Priority Payments as described above and subject to the rules described in “—*Distribution of Principal Amounts*” above), in the manner and in order of priority set out as follows (such priority, the **EUR Pre-Enforcement Priority of Payments** and together with the GBP Pre-Enforcement Priority of Payments, the **Pre-Enforcement Priorities of Payments**), together with (if payable and due under the relevant document) 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 EUR Share of the fees or other remuneration of (and amounts payable in respect of indemnities) and any costs, charges, liabilities and expenses (including legal fees 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 by way of indemnity) pursuant to the Issuer Transaction Documents;⁽¹⁾

- (b) *second* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the EUR Share of the amounts (including, but not limited to, tax advisor 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 Notes are then listed, fees due to Rating Agencies 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 Issuer Transaction Documents and not provided for payment elsewhere in this Pre-Enforcement Priority of Payments, and to provide for any such amounts expected to become due and payable by the Issuer after that Note Payment Date but prior to the next Note Payment Date, including to provide for the Issuer's liability or potential liability for corporation tax;⁽¹⁾
- (c) *third* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the EUR Share of (i) all amounts due in connection with the listing and to the Listing Agent, (ii) all amounts due to the Servicer or the Special Servicer, as applicable under the Servicing Agreement, (iii) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Account Bank under the Cash Management Agreement (including by way of indemnity), (iv) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Cash Manager under the Cash Management Agreement (including by way of indemnity), (v) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Agents under the Agency Agreement (including by way of indemnity), (vi) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Registrar under the Agency Agreement (including by way of indemnity), and (vii) all amounts due to the Corporate Services Provider under the Corporate Services Agreement;⁽¹⁾
- (d) *fourth* in or towards amounts due on account of any financing obtained by the Servicer or the Special Servicer on behalf of the Issuer as authorised pursuant to the Servicing Agreement;⁽¹⁾
- (e) *fifth* all amounts due to the Liquidity Facility Provider under the EUR Liquidity Facility other than the EUR Liquidity Subordinated Amounts;
- (f) *sixth* to retain an amount equal to the EUR Issuer Profit Element;⁽²⁾
- (g) *seventh* in or towards satisfaction on a *pro rata* and *pari passu* basis of (i) in the payment of accrued and unpaid interest amounts (other than any Note EURIBOR Excess Amounts) and Note Prepayment Fees due in respect of the Class EUR-A Notes; and (ii) if no Class X Trigger Event has occurred, in paying the EUR-X Certificates Distribution Amount in respect of the EUR-X Certificates;
- (h) *eighth* in or towards satisfaction, on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of all amounts due to the advisors of the Noteholders approved by the Servicer or the Special Servicer pursuant to the Servicing Agreement;

- (i) *ninth* to repay all principal due or overdue on the Class EUR-A Notes in an amount equal to the lesser of the EUR-A Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class EUR-A Notes until the Class EUR-A Notes have been fully redeemed;
- (j) *tenth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid interest amounts (other than any Note EURIBOR Excess Amounts) and Note Prepayment Fees due (including EUR Deferred Interest not comprising deferred Note EURIBOR Excess Amounts) in respect of the Class EUR-B Notes;
- (k) *eleventh* to repay all principal due or overdue on the Class EUR-B Notes in an amount equal to the lesser of the EUR-B Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class EUR-B Notes until the Class EUR-B Notes have been fully redeemed;
- (l) *twelfth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including EUR Deferred Interest not comprising deferred Note EURIBOR Excess Amounts) in respect of the Class EUR-C Notes;
- (m) *thirteenth* to repay all principal due or overdue on the Class EUR-C Notes in an amount equal to the lesser of the EUR-C Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class EUR-C Notes until the Class EUR-C Notes have been fully redeemed;
- (n) *fourteenth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid interest amounts (other than any Note EURIBOR Excess Amounts) and Note Prepayment Fees due (including EUR Deferred Interest not comprising deferred Note EURIBOR Excess Amounts) in respect of the Class EUR-D Notes;
- (o) *fifteenth* to repay all principal due or overdue on the Class EUR-D Notes in an amount equal to the lesser of the EUR-D Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class EUR-D Notes until the Class EUR-D Notes have been fully redeemed;
- (p) *sixteenth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid interest amounts (other than any Note EURIBOR Excess Amounts) and Note Prepayment Fees due (including EUR Deferred Interest not comprising deferred Note EURIBOR Excess Amounts) in respect of the Class EUR-E Notes;
- (q) *seventeenth* to repay all principal due or overdue on the Class EUR-E Notes in an amount equal to the lesser of the EUR-E Principal Distribution Amount on such Note Payment Date and the Principal Amount Outstanding of the Class EUR-E Notes until the Class EUR-E Notes have been fully redeemed;
- (r) *eighteenth* any amounts due to the Liquidity Facility Provider in respect of EUR Liquidity Subordinated Amounts;

- (s) *nineteenth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note EURIBOR Excess Amounts due in respect of the Class EUR-A Notes;
- (t) *twentieth* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note EURIBOR Excess Amounts due in respect of the Class EUR-B Notes;
- (u) *twenty-first* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note EURIBOR Excess Amounts due in respect of the Class EUR-C Notes;
- (v) *twenty-second* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note EURIBOR Excess Amounts due in respect of the Class EUR-D Notes;
- (w) *twenty-third* in or towards satisfaction on a *pro rata* and *pari passu* basis, the payment of accrued and unpaid Note EURIBOR Excess Amounts due in respect of the Class EUR-E Notes;
- (x) *twenty-fourth* if any Class of Notes is still outstanding, an amount up to the EUR Default Interest Withheld Amount to be credited to the Issuer EUR Transaction Account;
- (y) *twenty-fifth* if a Class X Trigger Event has occurred, in paying any Subordinated Class EUR-X Certificates Amounts in respect of the EUR-X Certificates; and
- (z) *twenty-sixth* in payment of the surplus (if any) to the Loan Seller by way of Additional Deferred Consideration for the purchase of the Securitised EUR Loan.

⁽¹⁾ Such amounts to be allocated *pro rata* to the EUR Available Funds and the GBP Available Funds across the EUR Notes and the GBP Notes. Such *pro rata* amount allocated to the EUR Notes (the **EUR Share**), other than certain fees payable to the Special Servicer allocable to the Securitised EUR Loan which shall be paid in full pursuant to (c) above, together with the amounts in paragraph (d) above, are the **EUR Administrative Fees**.

⁽²⁾ The **EUR Issuer Profit Element** is an amount equal to a one quarter share of €700 per annum.

Post-Enforcement Priority of Payments

Following the service of a Note Acceleration Notice, the Issuer Security Trustee will instruct the Account Bank to apply 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 under the **GBP Post-Enforcement Priority of Payments** and the **EUR Post-Enforcement Priority of Payments**, as applicable (together, the **Post-Enforcement Priority of Payments**) (in each case only if and to the extent that payments provisions 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):

GBP Post-Enforcement Priority of Payments

- (a) *first* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the GBP Share of the fees or other remuneration of (and amounts payable in respect of indemnities) and any costs, charges, liabilities and expenses (including legal fees 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 by way of indemnity) pursuant to the Issuer Transaction Documents;⁽¹⁾
- (b) *second* in payment or satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the GBP Share of the amounts (including, but not limited to, tax advisor 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 Notes are then listed, fees due to Rating Agencies 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 Issuer Transaction Documents and not provided for payment elsewhere in this GBP Post-Enforcement Priority of Payments, including to provide for the Issuer's liability or potential liability for corporation tax;⁽¹⁾
- (c) *third* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the GBP Share of (i) all amounts due in connection with the listing and to the Listing Agent, (ii) all amounts due to the Servicer or the Special Servicer, as applicable under the Servicing Agreement, (iii) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Account Bank under the Cash Management Agreement (including by way of indemnity), (iv) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Cash Manager under the Cash Management Agreement (including by way of indemnity), (v) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Agents under the Agency Agreement (including by way of indemnity), (vi) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Registrar under the Agency Agreement (including by way of indemnity), and (vii) all amounts due to the Corporate Services Provider under the Corporate Services Agreement;⁽¹⁾
- (d) *fourth* in or towards amounts due on account of any financing obtained by the Servicer or the Special Servicer on behalf of the Issuer as authorised pursuant to the Servicing Agreement;⁽¹⁾
- (e) *fifth* any amounts due to the Liquidity Facility Provider under the GBP Liquidity Facility, other than GBP Liquidity Subordinated Amounts;
- (f) *sixth* to retain an amount equal to the GBP Issuer Profit Element;⁽²⁾
- (g) *seventh* *pari passu* and *pro rata* in the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due in respect of the Class GBP-A Notes;

- (h) *eighth* *pari passu* and *pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class GBP-A Note;
- (i) *ninth* in or towards satisfaction, on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of all amounts due to the advisors of the Noteholders approved by the Servicer or the Special Servicer pursuant to the Servicing Agreement;
- (j) *tenth* *pari passu* and *pro rata* in the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including GBP Deferred Interest not comprising deferred Note LIBOR Excess Amounts) in respect of the Class GBP-B Notes;
- (k) *eleventh* *pari passu* and *pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class GBP-B Note;
- (l) *twelfth* *pari passu* and *pro rata* in the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including GBP Deferred Interest not comprising deferred Note LIBOR Excess Amounts) in respect of the Class GBP-C Notes;
- (m) *thirteenth* *pari passu* and *pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class GBP-C Note;
- (n) *fourteenth* *pari passu* and *pro rata* in the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including GBP Deferred Interest not comprising deferred Note LIBOR Excess Amounts) in respect of the Class GBP-D Notes;
- (o) *fifteenth* *pari passu* and *pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class GBP-D Note;
- (p) *sixteenth* *pari passu* and *pro rata* in the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including GBP Deferred Interest not comprising deferred Note LIBOR Excess Amounts) in respect of the Class GBP-E Notes;
- (q) *seventeenth* *pari passu* and *pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class GBP-E Note;
- (r) *eighteenth* *pari passu* and *pro rata* in the payment of accrued and unpaid interest amounts (other than any Note LIBOR Excess Amounts) and Note Prepayment Fees due (including GBP Deferred Interest not comprising deferred Note LIBOR Excess Amounts) in respect of the Class GBP-F Notes;
- (s) *nineteenth* *pari passu* and *pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class GBP-F Note;
- (t) *twentieth* in paying to the Liquidity Facility Provider any GBP Liquidity Subordinated Amounts;

- (u) *twenty-first* *pari passu* and *pro rata* in the payment of accrued and unpaid Note LIBOR Excess Amounts in respect of the Class GBP-A Notes;
- (v) *twenty-second* *pari passu* and *pro rata* in the payment of accrued and unpaid Note LIBOR Excess Amounts in respect of the Class GBP-B Notes;
- (w) *twenty-third* *pari passu* and *pro rata* in the payment of accrued and unpaid Note LIBOR Excess Amounts in respect of the Class GBP-C Notes;
- (x) *twenty-fourth* *pari passu* and *pro rata* in the payment of accrued and unpaid Note LIBOR Excess Amounts in respect of the Class GBP-D Notes;
- (y) *twenty-fifth* *pari passu* and *pro rata* in the payment of accrued and unpaid Note LIBOR Excess Amounts in respect of the Class GBP-E Notes;
- (z) *twenty-sixth* *pari passu* and *pro rata* in the payment of accrued and unpaid Note LIBOR Excess Amounts in respect of the Class GBP-F Notes;
- (aa) *twenty-seventh* in paying any Subordinated GBP-X Certificates Amounts in respect of the GBP-X Certificates; and
- (bb) *twenty-eighth* the surplus (if any) to the Loan Seller by way of Additional Deferred Consideration for the purchase of the Securitised GBP Loan.

⁽¹⁾ Such amounts to be allocated *pro rata* across the GBP Notes (in respect of the GBP Share) and the EUR Notes (in respect of the EUR Share), other than certain fees payable to the Special Servicer allocable to the Securitised GBP Loan, which shall be paid in full pursuant to I above.

⁽²⁾ The **GBP Issuer Profit Element** is an amount equal to a one quarter share of £700 per annum.

EUR Post-Enforcement Priority of Payments

- (a) *first* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the EUR Share of the fees or other remuneration of (and amounts payable in respect of indemnities) and any costs, charges, liabilities and expenses (including legal fees 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 by way of indemnity) pursuant to the Issuer Transaction Documents;⁽¹⁾
- (b) *second* in payment or satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the EUR Share of the amounts (including, but not limited to, tax advisor 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 Notes are then listed, fees due to Rating Agencies 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 Issuer Transaction Documents and not provided for payment elsewhere in this EUR Post-Enforcement Priority of Payments, including to provide for the Issuer's liability or potential liability for corporation tax;⁽¹⁾

- (c) *third* in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of the EUR Share of (i) all amounts due in connection with the listing and to the Listing Agent, (ii) all amounts due to the Servicer or the Special Servicer, as applicable under the Servicing Agreement, (iii) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Account Bank under the Cash Management Agreement (including by way of indemnity), (iv) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Cash Manager under the Cash Management Agreement (including by way of indemnity), (v) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Agents under the Agency Agreement (including by way of indemnity), (vi) all costs, charges, expenses (including legal fees and expenses), liabilities and all other amounts due to the Registrar under the Agency Agreement (including by way of indemnity), and (vii) all amounts due to the Corporate Services Provider under the Corporate Services Agreement;⁽¹⁾
- (d) *fourth* in or towards amounts due on account of any financing obtained by the Servicer or the Special Servicer on behalf of the Issuer as authorised pursuant to the Servicing Agreement;⁽¹⁾
- (e) *fifth* any amounts due to the Liquidity Facility Provider under the EUR Liquidity Facility, other than EUR Liquidity Subordinated Amounts;
- (f) *sixth* to retain an amount equal to the EUR Issuer Profit Element;⁽²⁾
- (g) *seventh* *pari passu* and *pro rata* in the payment of accrued and unpaid interest amounts (other than any Note EURIBOR Excess Amounts) and Note Prepayment Fees due in respect of the Class EUR-A Notes;
- (h) *eighth* *pari passu and pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class EUR-A Note;
- (i) *ninth* in or towards satisfaction, on a *pro rata* and *pari passu* basis, according to the respective amounts thereof, of all amounts due to the advisors of the Noteholders approved by the Servicer or the Special Servicer pursuant to the Servicing Agreement;
- (j) *tenth* *pari passu and pro rata* in the payment of accrued and unpaid interest amounts (other than any Note EURIBOR Excess Amounts) and Note Prepayment Fees due (including EUR Deferred Interest not comprising deferred Note EURIBOR Excess Amounts) in respect of the Class EUR-B Notes;
- (k) *eleventh* *pari passu and pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class EUR-B Note;
- (l) *twelfth* *pari passu and pro rata* in the payment of accrued and unpaid interest amounts (other than any Note EURIBOR Excess Amounts) and Note Prepayment Fees due (including EUR Deferred Interest not comprising deferred Note EURIBOR Excess Amounts) in respect of the Class EUR-C Notes;

- (m) *thirteenth* *pari passu and pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class EUR-C Note;
- (n) *fourteenth* *pari passu and pro rata* in the payment of accrued and unpaid interest amounts (other than any Note EURIBOR Excess Amounts) and Note Prepayment Fees due (including EUR Deferred Interest not comprising deferred Note EURIBOR Excess Amounts) in respect of the Class EUR-D Notes;
- (o) *fifteenth* *pari passu and pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class EUR-D Note;
- (p) *sixteenth* *pari passu and pro rata* in the payment of accrued and unpaid interest amounts (other than any Note EURIBOR Excess Amounts) and Note Prepayment Fees due (including EUR Deferred Interest not comprising deferred Note EURIBOR Excess Amounts) in respect of the Class EUR-E Notes;
- (q) *seventeenth* *pari passu and pro rata* in the amount equal to the relevant prepayment, the repayment of principal to reduce the Principal Amount Outstanding of each Class EUR-E Note;
- (r) *eighteenth* in paying to the Liquidity Facility Provider any EUR Liquidity Subordinated Amounts;
- (s) *nineteenth* *pari passu and pro rata* in the payment of accrued and unpaid Note EURIBOR Excess Amounts in respect of the Class EUR-A Notes;
- (t) *twentieth* *pari passu and pro rata* in the payment of accrued and unpaid Note EURIBOR Excess Amounts in respect of the Class EUR-B Notes;
- (u) *twenty-first* *pari passu and pro rata* in the payment of accrued and unpaid Note EURIBOR Excess Amounts in respect of the Class EUR-C Notes;
- (v) *twenty-second* *pari passu and pro rata* in the payment of accrued and unpaid Note EURIBOR Excess Amounts in respect of the Class EUR-D Notes;
- (w) *twenty-third* *pari passu and pro rata* in the payment of accrued and unpaid Note EURIBOR Excess Amounts in respect of the Class EUR-E Notes;
- (x) *twenty-fourth* in paying any Subordinated EUR-X Certificates Amounts in respect of the EUR-X Certificates; and
- (y) *twenty-fifth* the surplus (if any) to the Loan Seller by way of Additional Deferred Consideration for the purchase of the Securitised EUR Loan.

⁽¹⁾ Such amounts to be allocated *pro rata* across the EUR Notes (in respect of the EUR Share) and the GBP Notes (in respect of the GBP Share), other than certain fees payable to the Special Servicer allocable to the Securitised EUR Loan which shall be paid in full pursuant to I above.

⁽²⁾ The **EUR Issuer Profit Element** is an amount equal to a one quarter share of €700 per annum.

KEY TERMS OF THE SERVICING ARRANGEMENTS FOR THE SECURITISED LOANS AND THE RETAINED TRANCHE

Servicing and Special Servicing of the Securitised Loans

Pursuant to the servicing agreement dated on or about the Closing Date entered into by the Issuer, the Issuer Security Trustee, the Senior Facility Agent, the Common Security Agent, the Retention Holder, the Servicer and the Special Servicer (the **Servicing Agreement**), the Issuer and the Issuer Security Trustee will appoint CBRE Loan Servicing Limited as the Servicer and as the Special Servicer to provide certain services in relation to the Securitised Loans and the related Senior Loan Security and the Retention Holder appoints CBRE Loan Servicing Limited to act as the Servicer and the Special Servicer with respect to the Retained Tranche and the related Senior Loan Security.

The Issuer will give to the Servicer, and for so long as any 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 Senior Lender and a Senior Finance Party) under and in respect of the Securitised Loans and the Senior Finance Documents. The Retention Holder will give to the Servicer and 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 Retention Holder under and in respect of the Retained Tranche. When exercising its obligations and discretions under the Servicing Agreement, the Servicer or, for so long as any Securitised Loan is a Specially Serviced Loan, the Special Servicer, must act in accordance with, among other things, the Servicing Standard.

The Issuer and the Retention Holder will also appoint the Servicer (in its capacity as such) to act as the designated reporting entity for the purposes of complying with any applicable requirements under Article 8b of Regulation (EC) No. 1060/2009 (as amended) (including the disclosure and reporting requirements under articles 3 to 7 of Regulation (EU) No. 2015/3)) in respect of any relevant Notes issued by the Issuer.

Directions by the Issuer Security Trustee

At any time after the occurrence of a Note Event of Default or the Notes otherwise being due and repayable, the Issuer Security Trustee may by notice in writing to the Issuer, the Servicer and the Special Servicer, in accordance with Condition 11 (Enforcement) and the Issuer Deed of Charge require the Servicer and the Special Servicer pursuant to the Servicing Agreement (a) to act thereafter as the Servicer and the Special Servicer, respectively, of the Issuer Security Trustee in relation to any action to be taken by or on behalf of the Issuer Security Trustee under the provisions of the Issuer Deed of Charge *mutatis mutandis* on the terms pursuant to the Servicing Agreement and (b) to sell or otherwise liquidate (or otherwise appoint a receiver, liquidator, administrator, or other such party, if one has been selected by the Issuer Security Trustee, to sell or otherwise liquidate) the Senior Loans, the Senior Loan Security and any related Properties (including any related REO Properties).

Servicing Standard

Subject to the previous paragraph and save as otherwise provided in the Servicing Agreement, each of the Servicer and the Special Servicer is required to perform its duties on behalf of and for the benefit of the Issuer, the Retention Holder and 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 applicable legal and regulatory requirements;
- (b) in accordance with the terms of the Senior Finance Documents (including, without limitation, the Intercreditor Agreement);
- (c) in accordance with the specific terms of the Servicing Agreement and the other Issuer Transaction Documents to which the Servicer and/or the Special Servicer is a party;
- (d) in the best interests and for the benefit of the Issuer and the Retention Holder, using reasonable judgment and as determined in good faith by the Servicer or the Special Servicer (as the case may be); and
- (e) 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 which it applies when it services commercial mortgage loans beneficially owned by it and/or its Affiliates,

in each case giving due consideration to the customary and usual standards of practice of prudent commercial mortgage lenders which service loans similar to the Senior Loans, with a view to: (A) the prudent and timely exercise of the rights of the Issuer and the Retention Holder under the Senior Finance Documents; (B) the timely collection of all sums due to the Issuer and the Retention Holder in respect of the Senior Loans; and (C) if a Senior Loan Event of Default occurs and is continuing, maximising recoveries in respect of each of the Senior Loans on or before the Final Note Maturity Date (without prejudice to sub-paragraph (B) above),

and, if there is a conflict between any of the requirements set out in paragraphs (a) to (e) (inclusive) above, giving priority to those provisions which appear earlier in such paragraphs. In addition, if, in the opinion of the Servicer or, as applicable, the Special Servicer, there is a conflict in the interests of the Issuer and the Retention Holder as holder of the Senior GBP Loan and the interests of the Issuer and the Retention Holder as holders of the Senior EUR Loan in relation to the exercise of any of the Servicer's or the Special Servicer's duties under the Servicing Agreement, the Servicer or the Special Servicer (as the case may be) shall act on the instructions of

the GBP Controlling Class and EUR Controlling Class provided by way of an Ordinary Resolution passed at a single meeting of both Classes (or an equivalent Written Ordinary Resolution).

In applying the Servicing Standard and in the performance of its obligations under the Servicing Agreement, each of the Servicer (and for so long as the relevant Securitised Loan is a Specially Serviced Loan) the Special Servicer must disregard:

- (a) any fees or other compensation to which the Servicer or Special Servicer may be entitled;
- (b) any relationship which the Servicer or Special Servicer or any of their respective affiliates may have with any Senior Obligor or any Affiliate of any Senior Obligor or any other party to the transactions entered into in connection with the Senior Finance Documents or the issue of the Notes and the Class X Certificates (or any Affiliate of any such persons); and/or
- (c) the ownership of any Note or Class X Certificate by the Servicer or the Special Servicer (or any Affiliate or client of any Affiliate of any such person).

Rights of delegation

The Servicer or, in the case of any 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 their respective obligations under the Servicing Agreement. The Servicer or Special Servicer, as applicable, must use reasonable skill and care in selecting any subcontractor or delegate and must enter into arrangements with such third party that meet certain conditions set out in 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 any Senior 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 for the performance of its obligations under the Servicing Agreement.

Collections under the Senior Loans

Until the principal and interest on the Senior Loans is paid in full, the Servicer or, the Special Servicer, will monitor, or will liaise with the Senior Facility Agent, to monitor collections under the Senior Loans and will be required to use efforts consistent with the Servicing Standard to ensure the collection of all payments called for under the terms and provisions of the Senior Loans and is required to ensure that such collection procedures are consistent with the Servicing Agreement and are in accordance with the Servicing Standard.

Other responsibilities of the Servicer and the Special Servicer

In addition to its obligations described above, the Servicer or, if any Senior Loan is a Specially Serviced Loan, the Special Servicer will have certain obligations with respect to managing the interests of the Issuer and the Retention Holder, and the Issuer Security Trustee, as applicable, including with respect to any modification, waiver, amendment and/or consent relating to any Securitised Loan,

monitoring compliance by the Senior Borrowers with the covenants under the Senior Loans and taking any actions to realise upon the Senior Loan Security for the Senior Loan. See “*Modifications, waivers, amendments and consents*”.

Special Servicing Transfer Event

The Servicer will have the sole responsibility to service and administer the Senior Loans until the occurrence of a Special Servicing Transfer Event in relation to any Senior Loan.

Subject to the provisions of the Servicing Agreement, any Senior Loan will become subject to a Special Servicing Transfer Event if any of the following events occurs (each a **Special Servicing Transfer Event**):

- (a) a Senior Loan Event of Default is existing on the Final Senior Loan Repayment Date;
- (b) any Senior Obligor becomes subject to insolvency or insolvency proceedings;
- (c) the occurrence of a Senior Loan Event of Default arising as a result of any creditors’ process or cross-default;
- (d) any payment by any Senior Obligor under the Senior Facility Agreement being more than 30 days overdue subject to any applicable cure rights; and
- (e) any other Senior Loan Event of Default occurs or is, in the Servicer’s opinion, imminent and in either case not likely (in the Servicer’s opinion) to be cured within 21 days of its occurrence and which is likely, in the Servicer’s opinion, to have a material adverse effect in respect of the Issuer.

Promptly upon becoming aware of the occurrence of a Special Servicing Transfer Event, the Servicer will notify details of the same in writing to the Issuer, the Retention Holder, the Special Servicer, the Issuer Security Trustee, the Note Trustee, the Cash Manager, the Rating Agencies, the Senior Facility Agent, the Common Security Agent, the Operating Advisors (if appointed) and the Noteholders (in accordance with Conditions). The Special Servicer will then automatically assume all of its duties, obligations and powers and such Securitised Loan will become a **Specially Serviced Loan**.

Servicing of the relevant Senior Loan after it has become a Specially Serviced Loan will be retransferred to the Servicer and it will become a Corrected Loan upon the discontinuance of any event which would constitute a monetary Special Servicing Transfer Event for two consecutive Senior Loan Interest Periods and the facts giving rise to any other Special Servicing Transfer Event ceasing to exist, *provided that* no other matter exists which would give rise to the relevant Senior Loan becoming a Specially Serviced Loan.

Notwithstanding the appointment of the Special Servicer, the Servicer shall continue to service each Senior Loan in all respects as provided for in the Servicing Agreement and will, among other

things and without limitation, continue to collect information, prepare reports and perform administrative functions, subject to receipt by it of the required information from the Special Servicer (but will not be subject to any of the duties and obligations of the Special Servicer and shall not be entitled to receive the Special Servicing Fee with respect thereto). Neither the Servicer nor the Special Servicer will have responsibility for the performance by the other of its obligations and duties under the Servicing Agreement.

Asset Status Report

Pursuant to the Servicing Agreement, if a Special Servicing Transfer Event occurs, the Special Servicer will be required to prepare an Asset Status Report with respect to the Securitised Loans and the Properties not later than 60 days after the occurrence of such Special Servicing Transfer Event.

The Special Servicer will be required to consult with the relevant Operating Advisor (if appointed) in preparation of the Asset Status Report.

The Servicing Agreement will provide that the Asset Status Report should contain (to the extent practicably possible) among other things:

- (a) a description of the status of the Senior Loans and the Properties, details of any strategy with respect to the same and any negotiations with the Senior Obligors;
- (b) 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 or, as applicable, the euro mid-swaps rate based upon time to maturity of the Securitised Loans (taking into account any effected extensions thereof in accordance with the terms of the Senior Facility Agreement) of the various courses of action with respect to the Senior Loans including, without limitation, a work-out of the Senior Loans; and
- (c) a summary of the Special Servicer's recommended actions and strategies with respect to the Senior Loans which, subject to the terms of the Servicing Agreement, shall be the course of action that the Special Servicer has determined would maximise recovery on the Senior Loans on a net present value basis.

Promptly after the most recent 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 Rating Agencies, the Retention Holder, the Issuer, the Issuer Security Trustee and the Servicer.

The Special Servicer will also be required to deliver to the Issuer, the Retention Holder and the Note Trustee a draft form of a proposed notice to the Noteholders that shall include a summary of any finalised Asset Status Report (which will be a brief summary of the current status of the relevant Properties and current strategy with

respect to the relevant Senior Loan, with information redacted if and to the extent the Special Servicer determines, in its reasonable discretion, that publication of such information may compromise the position of the Issuer or the Retention Holder (as lender) (for example, information that might compromise any ongoing discussions and negotiations with the relevant Senior Obligors)), and, following approval from the Issuer and the Retention Holder and the Note Trustee, the Issuer shall publish such notice in accordance with Condition 16.

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 and shall promptly deliver the modified report to the Rating Agencies, the Retention Holder, the Servicer and the Operating Advisor (if appointed) and shall deliver a revised summary of the same to the Issuer and the Note Trustee, which the Issuer shall publish in accordance with Condition 16.

Reviews

The Servicer and, following a Special Servicing Transfer Event with respect to a Senior Loan, the Special Servicer, shall review the Senior Loans and inspect or cause to be inspected a sample of the Properties securing the relevant Senior Loan not less frequently than once each year (the **Annual Review**).

The Special Servicer shall, to the extent permitted by applicable laws, inspect or cause to be inspected the Properties securing a Securitised Loan promptly following the occurrence of a Special Servicing Transfer Event with respect to that Securitised Loan.

The Servicer, and following any Special Servicing Transfer Event, the Special Servicer shall inspect, or cause to be inspected (including by way of the use of professional advisors), 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 waste is being committed there or otherwise at their discretion in accordance with the Servicing Standard (an **Ad Hoc Review** and together with the Annual Review, the **Reviews**).

The Servicer or for so long as any Senior Loan is designated a Specially Serviced Loan, the Special Servicer, is authorised to conduct an Ad Hoc Review more frequently, to the extent permitted by applicable law, if the Servicer or, following a Special Servicing Transfer Event, the Special Servicer, acting in accordance with the Servicing Standard, has cause for concern as to the ability of any Senior Obligors to meet their financial obligations under the Senior Finance Documents. An Ad Hoc Review may, but need not necessarily, include an inspection of a sample of the Properties and a consideration of the quality of the cashflow arising from the Properties (in the opinion of the Servicer or the Special Servicer, as applicable) and a compliance check of each Senior Obligor's covenants under the Senior Finance Documents. All Reviews will be performed in such manner as is consistent with the Servicing

Standard. All Reviews and inspections shall be at the cost and expense of the Issuer and the Retention Holder pro rata according to their respective interests in the Senior Loans.

Required Ratings

The Servicer or the Special Servicer, as applicable, is required, subject to the Servicing Standard, to exercise all of its rights, powers and discretions under the Senior Loans, the Senior Loan Security and the Senior Finance Documents so as to ensure that any institution holding any of the Control Accounts, all swaps and all other hedging arrangements relating to the Senior Loans and the providers of any insurance to any Senior Borrowers in respect of the Properties are at all times fully compliant with the requirements set out in the Senior Facility Agreement.

The Servicer or, with respect to any Specially Serviced Loan, the Special Servicer, as applicable, is required to:

- (a) monitor on an on-going basis in a manner consistent with the Servicing Standard and in any case at least on a weekly basis, the short-term and the long-term credit ratings of each institution holding any of the Control Accounts, the providers of any hedging to any Senior Borrower, and the providers of any insurance to any Senior Borrower in respect of the Properties;
- (b) notify the Issuer, the Retention Holder, the Cash Manager and the Issuer Security Trustee on becoming aware of any change to the same (including the placing of the same on credit watch or its equivalent);
- (c) establish, on the day it becomes aware of any change of any such rating, whether as a result of such change any party to the Issuer Transaction Documents or any provider of any Control Account, any insurance in respect of the Properties or any providers of any hedging to any Senior Borrower has actually or potentially ceased to comply fully with the then applicable requirements of the Rating Agencies for debt securities assigned at least the same rating as the then highest rated Class of Notes and the course of action that will be required to remedy the same;
- (d) notify the relevant Senior Borrower and other Senior Obligors on becoming aware of any change of any such rating of such change, whether it results in the violation of the then applicable requirements of the Rating Agencies for debt securities assigned at least the same rating as the then highest rated Class of Notes and the actions that are required to remedy the same; and
- (e) monitor an on-going basis in a manner consistent with the Servicing Standard and at any other time upon the request of the Issuer, the Retention Holder, the Cash Manager and/or the Issuer Security Trustee, the rating of the Liquidity Facility Provider and forthwith notify the Issuer, the Cash Manager and the Issuer Security Trustee in writing upon

becoming aware that either Liquidity Facility Provider has either (i) ceased to have any of the LF Required Ratings or (ii) following the occurrence of an LF Relevant Event, been restored to the LF Required Ratings.

Insurance

The Servicer or (after the occurrence of a Special Servicing Transfer Event) the Special Servicer shall, on behalf of the Issuer and the Retention Holder, establish and administer procedures for monitoring compliance by the Senior Obligor with their obligations under the Senior Finance Documents in respect of the maintenance of insurances (including without limitation the insurances required to be maintained in respect of the Properties) at all times. Pursuant to the terms of the Servicing Agreement, the Servicer or the Special Servicer (as applicable) will use all reasonable efforts to monitor the compliance of, and to the extent reasonably practicable, to cause the Senior Obligor to comply with the requirements in respect thereof as set out in the Senior Finance Documents.

If the Servicer or the Special Servicer, as applicable, becomes aware that either: (a) any of the Properties are not covered by a buildings insurance policy; (b) a buildings insurance policy may lapse in relation to any Property due to the non-payment of any premium; or (c) any insurance may lapse in relation to any of the Properties for any reason, then the Servicer or the Special Servicer, as applicable, shall use reasonable efforts (using, if necessary, the proceeds of a Property Protection Advance), to procure that buildings insurance is maintained for the relevant Property or Properties in the form required under the Senior Finance Documents but shall not be required to advance its own funds for these purposes. If any Senior Obligor does not comply with its obligations in respect of any insurance policy, the Servicer or Special Servicer will (without any obligation or requirement to expend their own funds to do so) to the extent reasonably practicable, effect or renew any such insurance policy or instruct the Senior Facility Agent to do so (and not in any way for the benefit of the Senior Obligor concerned) and, to the extent permitted under the Senior Finance Documents, the Servicer or the Special Servicer, as applicable, shall make claim for the monies expended by the Servicer or Special Servicer, as applicable, for so effecting or renewing any such insurance from the Senior Obligor. However, neither the Servicer nor the Special Servicer is required to pay or instruct payment of any amount described above if, in its reasonable opinion, to do so would not be in accordance with the Servicing Standard.

Each of the Servicer and the Special Servicer (or an Affiliate) will be required to keep in full force and effect throughout the term of the Servicing Agreement, an errors and omissions insurance policy covering the Servicer's or Special Servicer's, as applicable, directors, officers, employees and agents.

Waiver of Financial Covenant Breach

For as long as the relevant Senior Loan is not a Specially Serviced Loan, the Servicer (but, for the avoidance of any doubt, not the Special Servicer) will decide subject to the Servicing Standard whether or not to waive any breach of either the Senior LTV Ratio Covenant or the Senior ICR Covenant by any Senior Obligor in

relation to the Senior Loans within 60 days of becoming aware of the same and after expiry of all applicable grace periods. If the Servicer decides to waive any such breach of a financial covenant, it will, *inter alia*, prepare a notice for publication by the Issuer in a Regulatory Information Service filing or equivalent that complies with the requirements of the relevant exchange on which the Notes are listed and applicable law summarising the facts and circumstances of such breach and the Servicer's reasons for granting such waiver. For the avoidance of doubt, these requirements will not apply with respect to the relevant Senior Loan that is a Specially Serviced Loan.

Power to raise funds

Each of the Servicer or (after the occurrence of a Special Servicing Transfer Event) the Special Servicer will have full power and authority to raise funds on behalf of the Issuer and the Retention Holder from third parties in such manner and on such terms as it may see fit (including in respect of any funds raised on behalf of the Issuer, the ability to cause such funds and the cost of such funds to be reimbursed in priority to payments due in respect of the Notes by virtue of such sums being reimbursed to the Servicer and/or Special Servicer pursuant to the relevant Issuer Priority of Payments and in respect any funds raised on behalf of the Retention Holder in priority to payments on the Retained Tranche) in order to fund expenses relating to preserving the rights and interests of the Issuer and the Retention Holder (as Senior Lenders) in the Senior Loans and the Senior Loan Security and any related REO Property where such expenses cannot be funded through funds otherwise available to the Issuer or the Retention Holder as applicable. Such right to raise funds includes any right of the Issuer or the Retention Holder (as Senior Lenders), to authorise any administrator (or analogous official) of any Senior Obligor to raise funds in order to preserve the value or permit the continued operation of the Properties.

In determining whether to cause any funds to be raised, the Servicer or the Special Servicer, as applicable, shall, as a condition to the same, first have determined in good faith that:

- (a) raising such amounts would be consistent with the Servicing Standard; and
- (b) it would be in the better interest of the Issuer and the Retention Holder, as lenders (or as owner of any REO Property), that such amounts were raised as opposed to such amounts not being raised, taking into account the relevant circumstances (which will include, but not be limited to, the related risks to which the Issuer and the Retention Holder would be exposed if such amounts were not raised and whether any such amounts would ultimately be recoverable from the Senior Obligors).

Property protection

The Senior Finance Documents oblige the Senior Obligors to pay certain amounts to third parties, such as insurers and persons providing services in connection with the operation of the Properties.

If a Senior Obligor fails to do so and:

- (a) the amounts standing to the credit of a Senior Obligor account to which the Senior Facility Agent has sole signing rights or any REO account (if applicable) (to which the Servicer has sole signing rights) are insufficient or not available or able to be applied for such purpose; and/or
- (b) the Servicer or the Special Servicer, as applicable, determines that it would be in the better interest of the Issuer and the Retention Holder, as lenders, that such amounts were paid as opposed to such amounts not being paid, taking into account the relevant circumstances, which will include, but not be limited to, the related risks that the Issuer and the Retention Holder would be exposed to if such amounts were not paid and whether any payments made by or on behalf of the Issuer and the Retention Holder would ultimately be recoverable from the Senior Obligors,

then the Servicer or, if the relevant Securitised Loan is then designated a Specially Serviced Loan, the Special Servicer may make the relevant third party payment (each such payment by the Servicer or Special Servicer being a **Property Protection Advance**) utilising (x) funds (if any) available to the Issuer for such purpose and/or, (y) funds raised from third parties for this purpose as described in “Power to raise funds” above or requesting the Cash Manager (on behalf of the Issuer) to make a Property Protection Drawing under the relevant Liquidity Facility Agreement, in each case, subject to the provisions of the Intercreditor Agreement pertaining to Property Protection Loans. The aggregate of all Property Protection Advances and Property Protection Drawings outstanding at any time will be less than or equal to the Senior Headroom.

**Modifications, waivers,
amendments and consents**

Subject to the terms of the Servicing Agreement, the Servicer (if no Special Servicing Transfer Event has occurred and is continuing) or the Special Servicer (if a Special Servicing Transfer Event has occurred and is continuing) may amend or waive, or grant consent (or in each case instruct the Senior Facility Agent and/or the Common Security Agent in respect of the same) in respect of, any term of the Senior Finance Documents if such amendment, consent or waiver is in accordance with the Servicing Standard and subject to certain additional limitations, including:

- (a) the restrictions on the ability of the Servicer or Special Servicer to agree to any Reserved Matter; and
- (b) any rights of the Operating Advisors set out in the Servicing Agreement (see “—*Operating Advisor*” below).

In no event will the Servicer or the Special Servicer, as applicable, consent to a modification, waiver or amendment in respect of a Reserved Matter without first obtaining the approval of the holders of each Class of GBP Notes and each Class of EUR Notes by way of an Extraordinary Resolution. The approval of any Reserved Matter shall follow the voting procedure for a GBP/EUR Basic Terms Modification pursuant to Condition 13.5 (Basic Terms Modification).

In no event will the Servicer or Special Servicer, as applicable, consent to any modification which would constitute a Class X Entrenched Right without first obtaining the prior written consent of the Class X Certificateholders.

The Servicer or the Special Servicer, as applicable, may (but shall not be obliged to) form one or more Ad Hoc Noteholder Committees (each such committee, an **Ad Hoc Noteholder Committee**) in order to allow the Servicer and/or Special Servicer, as applicable, to consult with the Noteholders for matters such as modifications, waivers and consents relating to the Securitised Loans. Any costs of the Issuer or any Issuer Related Party with respect to such Ad Hoc Noteholder Committee will be a cost of the Issuer. The costs known by the Servicer or the Special Servicer, as applicable, relating to any such Ad Hoc Noteholder Committee will be fully disclosed to the relevant Noteholders by the Servicer in the Servicer Quarterly Reports (subject to receipt of the required information from the Special Servicer if, at the relevant time, the relevant Securitised Loan is a Specially Serviced Loan). The Servicer or Special Servicer, as applicable, may require the members of the Ad Hoc Noteholder Committee to enter in to appropriate confidentiality arrangements where required by law and/or the Servicing Standard.

The Servicer or Special Servicer, as applicable, may agree, on behalf of the Issuer, that the Issuer will compensate the advisors to any Ad Hoc Noteholder Committee subject to the following requirements:

- (a) the Servicer or Special Servicer, as applicable, has determined, in its reasonable judgment and taking into account the Servicing Standard, that it would be beneficial to engage directly with the Noteholders in connection with any potential modification, waiver or consent relating to the Securitised Loans;
- (b) Noteholders that are members of such Ad Hoc Noteholder Committee have requested that the Servicer or Special Servicer, as applicable, agree on behalf of the Issuer that the Issuer will compensate the advisors to the Ad Hoc Noteholder Committee for their reasonable fees;
- (c) the Servicer or Special Servicer, as applicable, has determined that causing the Issuer to compensate the advisors to the Ad Hoc Noteholder Committee would be consistent with the Servicing Standard;
- (d) the Ad Hoc Noteholder Committee has provided evidence to the Servicer or Special Servicer, as applicable, that its advisors are independent from the relevant Senior Obligors and their advisors and were selected as a result of a competitive bid process from at least three reputable potential advisors with relevant experience, with the selected advisor providing the lowest bid;

- (e) the Servicer or Special Servicer, as applicable, is satisfied that members of the Ad Hoc Noteholder Committee represent at least 50 per cent. of all the GBP Notes or, as applicable the EUR Notes based upon Principal Amount Outstanding;
- (f) each GBP Noteholder participating in the Ad Hoc Noteholder Committee will be divided based upon the Class of GBP Notes that it holds, with each Class of GBP Notes participating in a vote being, a **GBP Voting Class**; upon a vote of the Ad Hoc Noteholder Committee conducted by the Servicer or the Special Servicer, as applicable, at least $66\frac{2}{3}$ per cent. of the Principal Amount Outstanding of each such GBP Voting Class has approved the payment of such expenses; provided, that it will not be necessary for the Ad Hoc Noteholder Committee to include Noteholders for each Class of GBP Notes provided that the Servicer or Special Servicer has invited all Classes of GBP Notes to participate in such Ad Hoc Noteholder Committee;
- (g) each EUR Noteholder participating in the Ad Hoc Noteholder Committee will be divided based upon the Class of EUR Notes that it holds, with each Class of EUR Notes participating in a vote being, a **EUR Voting Class**; upon a vote of the Ad Hoc Noteholder Committee conducted by the Servicer or the Special Servicer, as applicable, at least $66\frac{2}{3}$ per cent. of the Principal Amount Outstanding of each such EUR Voting Class has approved the payment of such expenses; provided, that it will not be necessary for the Ad Hoc Noteholder Committee to include Noteholders for each Class of EUR Notes provided that the Servicer or Special Servicer has invited all Classes of EUR Notes to participate in such Ad Hoc Noteholder Committee; and
- (h) such proposal to approve expenses presented for vote to the relevant Ad Hoc Noteholder Committee provides for no more than one legal advisor and one financial advisor for such Ad Hoc Noteholder Committee and does not provide for separate advisors for any GBP Voting Class or EUR Voting Class, as the case may be, unless (i) in the case of matters relating to the GBP Notes, such proposal for separate advisors for each GBP Voting Class is approved by an Ad Hoc Noteholder Committee of the GBP Noteholders containing a GBP Voting Class for each Class of the GBP Notes that is outstanding pursuant to a vote of a majority of at least $66\frac{2}{3}$ per cent. of the outstanding GBP Notes of each such Class of GBP Notes based upon Principal Amount Outstanding, or (ii) in the case of matters relating to the EUR Notes, such proposal for separate advisors for each EUR Voting Class is approved by an Ad Hoc Noteholder Committee of the EUR Noteholders containing a EUR Voting Class for each Class of the EUR Notes that is outstanding pursuant to a vote of a majority of at least $66\frac{2}{3}$ per cent. of the outstanding EUR Notes of each such Class of EUR Notes based upon Principal Amount Outstanding.

The Servicer, or if the relevant Securitised Loan is a Specially Serviced Loan, the Special Servicer may agree to any request by the relevant Senior Borrower or any other Obligor to provide a consent, waiver, approval under or modification of any Senior Finance Document which is permitted under the express terms of the relevant Senior Finance Document but which is subject to certain conditions set forth under the terms of the Senior Finance Documents being satisfied provided that: (a) it is satisfied that the relevant conditions are met; (b) it is acting in accordance with the Servicing Standard; and (c) it has consulted with the relevant Operating Advisor (if appointed)/the relevant Operating Advisor has confirmed in writing that it is satisfied that the relevant conditions have been met.

However, the ability of the Servicer or, as applicable the Special Servicer, to provide any consent, waiver, approval under or modification of any Senior Finance Document will in certain circumstances be subject to the consent of the Majority Mezzanine Lenders under the Intercreditor Agreement and to the relevant Noteholder approval if it relates to a Reserved Matter.

If the relevant Operating Advisor and the Servicer or, as the case may be, the Special Servicer do not agree as to whether the relevant conditions have been met, the views of the Servicer or, as the case may be, the Special Servicer will prevail over those of the relevant Operating Advisor.

The Servicer or, if the relevant Securitised Loan is a Specially Serviced Loan, the Special Servicer is authorised, on behalf of the Issuer and the Retention Holder to enter into (or authorise the entry into by the Senior Facility Agent and the Common Security Agent) any waivers, modifications or amendments to the Senior Finance Documents as it shall determine to be consistent with its rights and obligations under the Servicing Agreement provided that neither the Servicer nor, if the relevant Securitised Loan is a Specially Serviced Loan, the Special Servicer shall be permitted to agree to a standstill period (or to a series of standstill periods) in connection with a Senior Loan Event of Default for a total consecutive duration in excess of 12 months from the Final Senior Loan Repayment Date (as extended).

The Servicer or, for so long as any Securitised Loan is a Specially Serviced Loan, the Special Servicer, is required to give: (a) prior written notice of any such amendment or variation to the Rating Agencies; and (b) written notice of any such amendment or variation to the Servicer or Special Servicer, as applicable, the Issuer, the Retention Holder, the Issuer Security Trustee, the Senior Facility Agent, the Note Trustee, the Noteholders, the Common Security Agent and the Operating Advisors (if appointed).

The Servicer or the Special Servicer, as applicable, will further require as a condition to the effectiveness of any modification, waiver or consent to any Senior Finance Document involving any interaction with any Noteholders, including, but not limited to, any Extraordinary Resolution pursuant to which Noteholders provide any consent or direction with respect to any proposed modification,

waiver or consent of the Senior Finance Documents, that each person who voted or counted in the quorum in any meeting of any Class of Noteholders or otherwise provided any such consent or direction provides a confirmation that it was not, at the time of such quorum, vote or direction, a Disenfranchised Holder, which confirmation shall also be addressed to the Issuer Security Trustee and the Note Trustee.

Note Maturity Plan

If any part of the Senior GBP Loan or Senior EUR Loan remains outstanding six months prior to the Final Note Maturity Date, the Special Servicer shall be required to prepare a draft Note Maturity Plan in respect of the GBP Notes or a draft Note Maturity Plan in respect of the EUR Notes and present the relevant Note Maturity Plan to the Issuer, the Retention Holder, the Note Trustee and the Issuer Security Trustee not later than 45 days after the date falling six months prior to the Final Note Maturity Date together with a statement of whether, in the opinion of the Special Servicer, all recoveries then anticipated by the Special Servicer with respect to the Senior GBP Loan or Senior EUR Loan (as applicable) (whether by enforcement of the relevant Senior Loan Security, sale of the relevant Senior Loan, or otherwise) are reasonably likely to be realised in full prior to the Final Note Maturity Date. The Issuer, with the assistance of the Special Servicer, will publish the relevant Note Maturity Plan with the Regulatory Information Service.

Upon receipt of the draft Note Maturity Plan in respect of the GBP Notes and/or the draft Note Maturity Plan in respect of the EUR Notes, the Issuer shall convene a meeting of all GBP Noteholders at which the GBP Noteholders will have the opportunity to discuss the various proposals contained in the draft Note Maturity Plan with respect to the GBP Notes with the Special Servicer and/or a meeting of all EUR Noteholders at which the EUR Noteholders will have the opportunity to discuss the various proposals contained in the draft Note Maturity Plan with respect to the EUR Notes with the Special Servicer.

Following such meeting, if the Special Servicer is of the opinion that the relevant Securitised Loan is unlikely to be realised in full prior to the Final Note Maturity Date, the Special Servicer shall reconsider the relevant Note Maturity Plan and make modifications thereto to address the views of the GBP Noteholders or EUR Noteholders, as applicable, (subject to the Servicing Standard) following which it will promptly provide a final Note Maturity Plan to the Issuer, the Rating Agencies, the Note Trustee, the Issuer Security Trustee and the GBP Noteholders and/or the EUR Noteholders (as the case may be) in accordance with Condition 16.

Upon receipt of the final Note Maturity Plan in respect of the GBP Notes and/or the final Note Maturity Plan in respect of the EUR Notes, the Issuer shall convene a meeting of the GBP Noteholders of the Most Senior Class of GBP Notes then outstanding and the Retention Holder (as if it were a Noteholder of the Most Senior Class of GBP Notes then outstanding) at which the GBP Noteholders of the Most Senior Class of GBP Notes then outstanding and the Retention Holder (as if it were a Noteholder of the Most Senior Class of GBP Notes then outstanding) will be requested to select by way of

Ordinary Resolution their preferred option among the proposals set out in the final Note Maturity Plan with respect to the GBP Notes and/or a meeting of the EUR Noteholders of the Most Senior Class of EUR Notes then outstanding and the Retention Holder (as if it were a Noteholder of the Most Senior Class of EUR Notes then outstanding) at which the EUR Noteholders of the Most Senior Class of EUR Notes then outstanding and the Retention Holder (as if it were a Noteholder of the Most Senior Class of EUR Notes then outstanding) will be requested to select by way of Ordinary Resolution their preferred option among the proposals set out in the final Note Maturity Plan with respect to the EUR Notes.

The Special Servicer shall, notwithstanding any other provision of the Servicing Agreement or requirement to act in accordance with the Servicing Standard, implement the proposal that receives the approval of the GBP Noteholders of the Most Senior Class of GBP Notes then outstanding and the Retention Holder (as if it were a Noteholder of the Most Senior Class of GBP Notes then outstanding) and/or the EUR Noteholders of the Most Senior Class of EUR Notes then outstanding and the Retention Holder (as if it were a Noteholder of the Most Senior Class of EUR Notes then outstanding) (as applicable) by way of Ordinary Resolution and shall have no liability to any person for seeking to implement and subsequently implementing such proposal with no regard to the Servicing Standard.

If no option presented to GBP Noteholders receives the approval of the GBP Noteholders of the Most Senior Class of GBP Notes then outstanding and the Retention Holder (as if it were a Noteholder of the Most Senior Class of GBP Notes then outstanding) by way of Ordinary Resolution at such meeting, then, if the Issuer Security is then enforceable, the Issuer Security Trustee shall be deemed to be directed by all the GBP Noteholders and the Retention Holder to appoint a receiver in order to realise the Issuer Charged Assets pursuant to the Issuer Deed of Charge, provided that it will have no obligation to do so if it shall not have been indemnified and/or secured and/or prefunded to its satisfaction.

If no option presented to EUR Noteholders receives the approval of the EUR Noteholders of the Most Senior Class of GBP Notes then outstanding and the Retention Holder (as if it were a Noteholder of the Most Senior Class of EUR Notes then outstanding) by way of Ordinary Resolution at such meeting, then, if the Issuer Security is then enforceable, the Issuer Security Trustee shall be deemed to be directed by all the EUR Noteholders and the Retention Holder to appoint a receiver in order to realise the Issuer Charged Assets pursuant to the Issuer Deed of Charge, provided that it will have no obligation to do so if it shall not have been indemnified and/or secured and/or prefunded to its satisfaction. In such circumstances, the Special Servicer shall have no obligation to implement any proposal included in the Note Maturity Plan. Pending the realisation of the relevant Issuer Charged Assets the Special Servicer shall continue to act in accordance with the Servicing Standard and the other provisions of the Servicing Agreement.

Servicing Fee

On each Note Payment Date, the Issuer and the Retention Holder (*pro rata* according to their respective interests in the Senior Loans) shall pay to the Servicer a fee (exclusive of VAT, if applicable) in respect of the Securitised Loans equal to £1 per annum (the **Servicing Fee**). The Servicing Fee will continue to be paid notwithstanding the fact that the Senior Loan may have been designated a Specially Serviced Loan. Following any termination of the Servicer's appointment as Servicer, the Servicing Fee will be paid to any substitute servicer appointed, provided that the Servicing Fee may be payable to any substitute servicer at a higher rate agreed in writing by the Issuer and the Retention Holder (and may be payable to any such replacement Servicer by the Issuer and the Retention Holder *pro rata* according to their respective interests in the Senior Loans) (but which does not exceed the rate then commonly charged by providers of loan servicing services in relation to commercial properties).

If the Senior Facility Agent is the same legal entity as, or an affiliate of, the Servicer (but not the Special Servicer) and the Senior Facility Agent is replaced in accordance with the Senior Facility Agreement, the Servicing Fee payable to the Servicer:

- (a) if the Servicer resigns its appointment under the Servicing Agreement and for the period from but excluding the date on which the Senior Facility Agent is replaced to and including the date on which the resignation of the Servicer becomes effective, may be a higher rate as agreed in writing by the Issuer and the Retention Holder (and shall be payable to the Servicer by the Issuer and the Retention Holder *pro rata* according to their respective interests in the Senior Loans) provided that such fee does not exceed the rate then commonly charged by providers of loan servicing services in relation to commercial properties; or
- (b) if the Servicer continues its appointment under this Agreement, may be a higher rate as agreed in writing by the Issuer and the Retention Holder (and shall be payable to the Servicer by the Issuer and the Retention Holder *pro rata* according to their respective interests in the Senior Loans) provided that such fee does not exceed the rate then commonly charged by providers of loan servicing services in relation to commercial properties.

Special Servicing Fee

On each Note Payment Date, the Issuer and the Retention Holder will pay to the Special Servicer its *pro rata* share of the Special Servicing Fee (exclusive of VAT, if applicable) equal to 0.17 per cent. per annum of the aggregate outstanding principal balance of any Senior Loan for each day that it is designated as a Specially Serviced Loan (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 any Senior Loan or (ii) a Senior 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 (the **Servicer's Modification Fee**), in an amount which it agrees with the Senior Obligors, as remuneration for any action taken by the Servicer in respect of any request for an amendment, consent or waiver made or given in respect of a Senior Loan and the Senior Finance Documents prior to the occurrence of a Special Servicing Transfer Event and subject to certain conditions.

Liquidation Fee and Workout Fee

On each Note Payment Date in relation to any Specially Serviced Loan, the Special Servicer will be entitled to be paid by the Issuer and the Retention Holder (pro rata according to their respective interests in the Senior Loans):

- (a) a liquidation fee (the **Liquidation Fee**) equal to 1.0 per cent. of the proceeds of sale, net of costs and expenses of sale, if any, arising from the sale of a Senior Loan or any Senior Borrower or any part of the Properties (whether directly or indirectly); following the occurrence of a Senior Loan Event of Default which would entitle the Common Security Agent to enforce the security in respect of such Senior Loan (such proceeds, **Liquidation Proceeds**), which will be payable in accordance with the terms of the Servicing Agreement, provided that no Liquidation Fee will be payable in respect of Liquidation Proceeds:
 - (i) where the relevant Senior Loan was a Specially Serviced Loan for a period of fewer than 30 days; or
 - (ii) where the relevant Senior Loan or any Senior Obligor or any part of the Properties (whether directly or indirectly) is sold to an Affiliate of the Special Servicer.

The Liquidation Fee will be payable in priority to the Notes on the Note Payment Date following the receipt of Liquidation Proceeds in accordance with the provisions of the Cash Management Agreement and the Issuer Deed of Charge.

- (b) a workout fee (the **Workout Fee**) payable to the Special Servicer, if a Senior Loan which was a Specially Serviced Loan subsequently becomes a Corrected Loan. The Workout Fee shall be an amount equal to 1.0 per cent. of each collection of interest and principal received in respect of the relevant Securitised Loan for so long as it remains a Corrected Loan. However, no Workout Fee will be payable if the Special Servicing Transfer Event which gave rise to the relevant Securitised Loan becoming a Specially Serviced Loan ceased to exist within 30 days of such Loan becoming a Specially Serviced Loan and no other Special Servicing Transfer Event occurred while such Securitised Loan remained a Specially Serviced Loan.

The Servicing Fee and the Special Servicing Fee will cease to be payable in relation to any Securitised Loan if any of the following events (each, a **Liquidation Event**) occurs:

- (c) the relevant Securitised Loan is repaid in full; or
- (d) a Final Recovery Determination is made with respect to the relevant Securitised Loan.

Final Recovery Determination means, in relation to the relevant Securitised Loan, a determination by the Special Servicer acting in accordance with the Servicing Standard, that there has been a recovery of all principal as a result of enforcement procedures undertaken in respect of the relevant Senior Loan and other payments or recoveries that, in the Special Servicer's judgment, as applicable, will ultimately be recoverable, such judgment to be exercised in accordance with the Servicing Standard.

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. Such costs and expenses of the Special Servicer are payable by the Issuer and the Retention Holder pro rata according to their respective interests in the Senior Loans. In each case, such costs and expenses are payable, (subject to the relevant Issuer Priority of Payments) on the Note Payment Date following the Senior Loan Interest Period during which they are incurred by the Servicer or Special Servicer and without prejudice to any other rights to payment or, in the case of fees and expenses which are paid directly by a Senior Obligor, immediately on the date which such fees and expenses are collected from a Senior Obligor.

Each of the Servicer and the Special Servicer are permitted to hire advisors, provided that the hiring of such advisor is in accordance with the Servicing Standard and that upon hiring any such advisor it does the following:

- (a) notify investors in the next following Servicer Quarterly Report as to the hiring of the advisor; and
- (b) provide information in such Servicer Quarterly Report as to why such advisor has been hired,

provided that the Servicer and Special Servicer will not be required to provide any details relating to the hiring of such advisor if, in its reasonable judgment, it believes that such disclosure could compromise the strategic position of the Issuer (as a Senior Lender of the Senior Loans).

Liability of Servicer and Special Servicer

Neither the Servicer nor the Special Servicer will be responsible for any loss or liability to the Issuer, the Retention Holder or the Issuer Security Trustee other than those losses caused by its negligence, fraud or wilful misconduct.

Purchase Right of Servicer

If, at any time, the Principal Amount Outstanding of the GBP Securitised Loan or the EUR Securitised Loan is reduced to an amount equal to, or less than, 10 per cent. of the Principal Amount Outstanding of the GBP Notes or the EUR Notes (as applicable), in each case as at the Closing Date then, unless the Issuer otherwise elects to redeem the Notes in full pursuant to Condition 7.4 (Optional Redemption in Full), the Servicer shall have an assignable option (but not the obligation) to purchase all (but not some only) of the GBP Securitised Loan and/or the EUR Securitised Loan (as applicable) from the Issuer for the amount necessary for the Issuer to cause a redemption of the GBP Notes or the EUR Notes (as applicable) in accordance with Condition 7.4 (Optional Redemption in Full) on any Note Payment Date thereafter, provided that not earlier than 60 days and not later than 30 days prior to such Note Payment Date, the Servicer has served on the Issuer, the Issuer Security Trustee and the Note Trustee a written notice notifying them of its intention to so purchase such Securitised Loan. Any purchase by the Servicer of any Securitised Loan in connection with such redemption of the relevant Notes by the Issuer shall result in redemption in full of such Notes.

Reporting

Subject to any limitation imposed by applicable law or any confidentiality agreement, the Servicer must deliver to the Issuer, the Retention Holder, the Cash Manager, the Special Servicer, the Rating Agencies, any Operating Advisor and the Issuer Security Trustee during each Senior Loan Interest Period (and, with respect to the report set out in the CREFC European Investor Reporting Package in the form titled “CREFC E-IRP Loan Setup File”, the Servicer shall, in addition, provide such information prior to the first Note Payment Date), the following reports with respect to the Senior Loans, each of which shall provide the required information in respect of the Senior Loan Interest Period immediately preceding the immediately ended Senior Loan Interest Period (in the case of item (a) below and information fields based on information provided by the relevant Senior Borrowers) or in respect of the immediately ended Senior Loan Interest Period (in the case of the other items listed below) in each case based on information provided by the Special Servicer if any Senior 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 European Investor Reporting Package in the form titled “CREFC E-IRP Loan Setup File”);
- (b) a report setting out quarterly remittances on the Senior Loan as well as the tracking of both scheduled and unscheduled payments in respect thereof (as set out in the CREFC European Investor Reporting Package in the form titled “CREFC 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 European Investor Reporting Package in the form titled “CREFC E-IRP Property File”); and
- (d) a report setting out, among other things, details of any event that would cause any Senior Loans to be included on the servicer watchlist (as set out in the CREFC European Investor Reporting Package in the form titled “CREFC E-IRP Servicer Watchlist Criteria and Servicer Watchlist File”).

The reports 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 (commonly known as the **CREFC European Investor Reporting Package**).

In addition to the above, the Servicer will report the following additional information on each Servicer Loan Reporting Date:

- (a) financial covenant compliance calculated in accordance with the methodologies for determining compliance in the Senior Facility Agreement;
- (b) portfolio summary by region;
- (c) portfolio summary by property type;
- (d) current and historical property disposals; and
- (e) identification of any default actually known under the Senior Facility Agreement as of the close of business on the last day of the month preceding the month in which the relevant Note Payment Date occurs and a summary description of any action taken since the last statement to Noteholders.

Such additional information provided by the Servicer may be modified from time to time in the Servicer’s sole discretion. A form of the servicer’s quarterly report is attached hereto as Appendix 2.

To the extent not already included in the CREFC European Investor Reporting Package, the Servicer shall also provide, in respect of each Senior Loan Interest Period, a report based, where necessary, on information provided to the Servicer by the Special Servicer, containing the following information regarding the Senior Loans and the Properties:

- (a) a report setting out the information provided by the Senior Obligors pursuant to the information covenants contained in the Senior 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); and

- (c) a report setting out, among other things, information regarding the Properties,

(such reports, together with the CREFC European Investor Reporting Package, the **Servicer Quarterly Report**).

The Servicer Quarterly Report will be made publicly available by the Cash Manager, on behalf of the Servicer, at www.usbank.com/abs which internet website does not form part of this Prospectus.

Other Reporting

In order to assist in its compliance with the European Commission's Market Abuse Directive, the Issuer has instructed the Servicer and Special Servicer to notify it of any information relating to the Securitised Loans or any Property, as applicable, that the Servicer or Special Servicer reasonably determines is likely to have a material impact on the value of the Securitised Loans or Properties and which is not, to the Servicer's or Special Servicer's knowledge, already publicly available information, to the extent that the Servicer or Special Servicer has actual knowledge of the same. Further, the Servicer and the Special Servicer have agreed that they will only withhold information from disclosure to the extent required by the Servicing Standard or to the extent otherwise restricted by law or agreement, and subject at all times to applicable disclosure requirements under the Market Abuse Directive and relevant implementing measures.

Sale of the Senior Loans

The Servicing Agreement will provide, with respect to each Senior Loan, that the Special Servicer may offer to sell a Senior Loan to any person other than the Servicer, the Special Servicer, any independent contractor engaged by the Special Servicer, the Operating Advisor or any known affiliate of any of them (an **Interested Person**), if the Special Servicer determines consistent with the Servicing Standard, that such a sale would maximise recoveries in relation to the relevant Senior Loan for the Issuer and the Retention Holder, in accordance with the Servicing Standard, on a net present value basis.

The Special Servicer shall give the Issuer Security Trustee, the Retention Holder and the Issuer not less than five Business Days prior written notice of its intention to sell such Senior Loan, in which case (i) the Special Servicer shall accept the highest offer received from any person for such Senior Loan in an amount at least equal to the Disposal Consideration and the Issuer Make-Whole Amount (if any); or (ii) if the Special Servicer has received no offer at least equal to the Disposal Consideration and the Issuer Make-Whole Amount (if any), purchase at its option (but with no obligation) such Senior Loan at the Disposal Consideration and the Issuer Make-Whole Amount (if any).

In soliciting offers for the Senior GBP Loan and/or the Senior EUR Loan, the Special Servicer must, as part of the relevant solicitation process, make it clear to potential purchasers that any offers made in respect of the Senior GBP Loan and/or the Senior EUR Loan must be made separately and, if and to the extent that any offers are received

which are conditional upon the acceptance of the other or linked to the other, such bid or offer will not be considered by the Special Servicer and the Special Servicer will not be entitled to consider and/or accept any such linked bid or conditional offer unless the Special Servicer determines that there is no conflict between the interests of the Issuer as holder of the Securitised GBP Loan and the interests of the Issuer as holder of the Securitised EUR Loan in relation to the acceptance of any such offer or the Special Servicer is acting on the instructions of the GBP Controlling Class and EUR Controlling Class provided by way of an Ordinary Resolution of each Controlling Class passed at a separate meeting of each Controlling Class (or, in each case, an equivalent Written Ordinary Resolution).

Where the Special Servicer instructs the Issuer to convene a meeting of the Noteholders of any Class to consider a conflict between the interests of the GBP Noteholders and the EUR Noteholders in respect of any offer, or competing offers made to purchase the Senior GBP Loan and the Senior EUR Loan together (in circumstances where the Special Servicer has determined that a conflict of interests exists between them in accordance with the Servicing Standard) and an Ordinary Resolution of each Controlling Class resolving such conflict is not passed at such meeting, the Special Servicer may not accept any such offer.

In the absence of any such offer for a Specially Serviced Loan at the Disposal Consideration and the Issuer Make-Whole Amount (if any), the Special Servicer (but not the Servicer) will be required to determine, in accordance with the Servicing Standard, whether a sale of any Specially Serviced Loan to any person (other than an Interested Person) at less than the Disposal Consideration and the Issuer Make-Whole Amount (if any) would be the best method of realisation of the relevant Senior Loan.

In making such determination, the Special Servicer shall do the following: (a) estimate the net present value of the cashflows and net proceeds for other non-sale strategies for the relevant Senior Loan (each, an **Alternative Process**), such as work-out and realisation, appropriately discounting for any estimated costs and expenses for such alternative strategies (for each Alternative Process, the **Alternative Estimated Proceeds**); and (b) estimate the risk of success of each such realisation on each such Alternative Process as being either “high risk”, “medium risk” or “low risk”.

Upon estimating the net present value of the Alternative Estimated Proceeds for each Alternative Process, the Special Servicer shall determine, in accordance with the Servicing Standard, whether the sale of such Senior Loan would be the best method of realisation of such Senior Loan, taking into account the proceeds from the sale of such Senior Loan as compared to the Alternative Estimated Proceeds for any Alternative Process, the relevant risks for such realisation and any other relevant factors that may be considered by the Special Servicer.

Any such determination by the Special Servicer will be binding on all parties. All properly incurred costs and fees of the Special Servicer in making such determinations will be reimbursable to it by the Issuer and the Retention Holder pro rata according to their respective interest in the Senior Loans. Neither the Issuer Security Trustee, in its individual capacity, nor any of its affiliates (excluding any Interested Person) may make an offer for or purchase any Senior Loans.

The Servicing Agreement will not oblige the Special Servicer to accept the highest offer if the Special Servicer determines, in accordance with the Servicing Standard, that rejection of such offer would maximise recoveries in relation to a Senior Loan for the Issuer in accordance with the Servicing Standard. In addition, the Special Servicer may accept a lower offer if it determines, in accordance with the Servicing Standard, that acceptance of such offer would be in the best interests of the Issuer and the Retention Holder, as lenders (for example, if the prospective buyer making the lower offer is more likely to perform its obligations, or the terms offered by the prospective buyer making the lower offer are more favourable), provided that the offeror is not the Special Servicer or a person affiliated with the Special Servicer.

The Servicer and the Special Servicer may not sell a Senior Loan to an Interested Person. Furthermore, the Special Servicer may not sell a Senior Loan if the relevant Senior Loan is no longer delinquent because (i) the Special Servicing Transfer Event has ceased in accordance with the “—*Special Servicing Transfer Event*” above, (ii) the defaulted Senior Loan has been subject to a work-out arrangement, or (iii) the Senior Loan has otherwise been resolved (including by a full or discounted pay-off).

Upon the sale of a Senior Loan in accordance with the Servicing Agreement, the Issuer Security Trustee shall (without recourse representation or warranty) at the request of the Servicer or the Special Servicer (and at the cost of the Issuer), as applicable, release the Issuer’s interest in such Senior Loan and any related assets in order to allow such sale to proceed.

Disposal Consideration means an amount equal to the aggregate of 100 per cent. of the principal balance of the Senior Loans then outstanding plus any accrued but unpaid interest thereon and any other accrued but unpaid amounts relating to the Senior Loans, to the date of any sale of the Senior Loans by the Special Servicer in accordance with the Servicing Agreement.

Issuer Make-Whole Amount means in the case of a sale of a Senior Loan or any REO Property by the Special Servicer pursuant to the Servicing Agreement or the purchase by the Loan Seller of a Senior Loan pursuant to the Loan Sale Agreement, the aggregate of:

(i) any fees, costs and expenses incurred by any of the parties to the Issuer Transaction Documents in connection with such sale of a Senior Loan or any REO Property; and

(ii) any fees, costs and expenses payable by the Issuer to any of the parties to the Issuer Transaction Documents (or properly owing to third parties in accordance with the Issuer Transaction Documents) upon the repayment or termination by the Issuer or any such party of the Notes or any Issuer Transaction Document.

Enforcement of the Senior Loans

If the Special Servicer, with respect to any Specially Serviced Loan, determines, in its discretion (which shall be applied in accordance with the Servicing Standard) that a Senior Loan Event of Default has occurred, the Servicer or the Special Servicer (as applicable) will forthwith give notice to the Senior Borrowers and any other party as required under the Senior Finance Documents, with a copy to the Issuer, the Retention Holder, the Issuer Security Trustee, the Special Servicer, the Operating Advisors and the Rating Agencies.

Each of the Servicer and the Special Servicer, will determine in accordance with the Servicing Standard, the best strategy for exercising the rights, powers and discretions of the Issuer and the Retention Holder and the taking of enforcement action following the occurrence of the Senior Loan Event of Default and to implement such strategy in accordance with the Servicing Standard subject to the provisions of the Intercreditor Agreement. The Special Servicer will document its proposed strategy with the delivery of an Asset Status Report.

In determining the appropriate enforcement strategy the Special Servicer will take into account the need for the enforcement of the Senior GBP Loan or the Senior EUR Loan separately, unless the Special Servicer determines that there is no conflict between the interests of the Issuer as holder of the Securitised GBP Loan and the interests of the Issuer as holder of the Securitised EUR Loan in relation to the exercise of any enforcement action or the Special Servicer is acting on the instructions of the GBP Controlling Class and the EUR Controlling Class provided by way of an Ordinary Resolution of each Controlling Class passed at a separate meeting of each Controlling Class (or, in each case, an equivalent Written Ordinary Resolution).

As soon as the Special Servicer makes a Final Recovery Determination with respect to the relevant Senior Loan, it will promptly notify the Servicer, the Issuer, the Retention Holder, the Operating Advisor, the Senior Facility Agencies, the Common Security Agent, the Rating Agencies and the Cash Manager in writing of the amount of such Final Recovery Determination. The Special Servicer shall maintain an accurate record of the Final Recovery Determinations (if any) and the basis of determination thereof.

Each of the Servicer and the Special Servicer shall procure that if, after enforcement of the Senior Loan Security, an amount in excess of all sums due from the Senior Borrowers under the Senior Finance Documents is recovered or received, the balance (after discharge of all such sums) is paid to the persons entitled thereto pursuant to the terms of the Senior Finance Documents.

The Servicing Agreement will provide that the Special Servicer will not cause the Issuer, the Retention Holder, the Senior Facility Agent or the Common Security Agent under the Senior Loans, the Issuer Security Trustee or the Note Trustee to obtain title to the Properties related thereto (either directly or through a subsidiary) as a result of or in lieu of foreclosure or otherwise, and will not otherwise acquire possession of, or take any other action with respect to, any Properties related thereto if, as a result of any such action, the Note Trustee, the Issuer Security Trustee, the Issuer, the Retention Holder, the Common Security Agent, the Senior Facility Agent or the Noteholders would be considered to hold title to, to be a “mortgagee-in-possession”, or to be an “owner” or “operator” of, the Properties unless the Servicer or the Special Servicer, as applicable, has (i) coordinated with the Issuer and the Retention Holder to ensure title to the Properties will be obtained only through a nominee company on behalf of the Issuer and the Retention Holder or a specially formed subsidiary and (ii) has previously determined, based on an environmental survey prepared by an independent person who regularly conducts environmental surveys, that: (a) the Properties are in compliance with applicable local Environmental Laws or, if not, after consultation with an environmental consultant that it would maximise recoveries in relation to the relevant Senior Loan for the Issuer and the Retention Holder as Senior Lenders to take such actions as are necessary to bring the Properties in compliance with applicable local Environmental Laws, and (b) there are no circumstances present at the Properties relating to the use, management or disposal of any hazardous materials for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any currently applicable local law or regulation, or that, if any such hazardous materials are present, for which such action could be required, after consultation with an environmental consultant it would maximise recoveries in relation to the relevant Senior Loan for the Issuer and the Retention Holder as Lenders to take such actions with respect to the affected Properties.

If the Servicer or the Special Servicer, as applicable, has so determined based on satisfaction of the criteria above that it would maximise recoveries in relation to the Senior Loans for the Issuer and the Retention Holder as Senior Lenders (as determined in accordance with the Servicing Standard) to realise on the security for the Senior Loans or take any other actions described in the immediately preceding paragraph, the Special Servicer, as applicable, will be required to take such proposed action.

REO Properties

Notwithstanding any acquisition of title to any of the Properties (in the case of a UK Property, a **UK REO Property**, or in the case of the Dutch Property, the **Dutch REO Property**, and each a **REO Property**) or other security following a Senior Loan Event of Default, the Senior Loans will be deemed to remain outstanding (in such situation, each such Senior Loan a **REO Loan**) for the purpose of the application of collections and will be reduced only by collections net of expenses and, upon sale of the Properties, net of losses resulting from such sale.

If the Special Servicer or an affiliate acquires any of the Properties in the name of and on behalf of the Issuer and the Retention Holder, the Special Servicer will be empowered, subject to any specific limitations under applicable law as to the activities of the Issuer and the Retention Holder and prohibitions set forth in the Servicing Agreement, to do any and all things in connection with the management and operation of such REO Property as are consistent with the Servicing Standard and the terms of Servicing Agreement.

The Special Servicer is required to use efforts consistent with the Servicing Standard to solicit bids for each REO Property in such manner as will, with respect to the Senior Loans, be reasonably likely to realise a fair price prior to the Final Note Maturity Date and no later than three years from acquisition of such REO Property. Such solicitation is required to be made in a commercially reasonable manner.

The Special Servicer is required to accept the highest cash bid received from any person for such REO Property in an amount at least equal to the Disposal Consideration and the Issuer Make-Whole Amount (if any); provided, however, that in the absence of any such bid, the Special Servicer must accept the highest cash bid received from any person that is determined by the Special Servicer to be a fair price for such REO Property based on valuations obtained within the preceding 9 months. If the Special Servicer reasonably believes that it will be unable to realise a fair price for any REO Property prior to the Final Note Maturity Date and no later than three years from acquisition of such REO Property, then the Special Servicer must dispose of such REO Property upon such terms and conditions as it deems necessary and desirable to maximise the recovery thereon under the circumstances and, in connection therewith, is required to accept the highest outstanding cash bid. If the highest bidder is an Interested Person, the Issuer Security Trustee will be required to determine the fairness of the highest bid based upon an independent valuation commissioned by the Issuer Security Trustee at the expense of the Issuer and the Retention Holder *pro rata* according to their respective interests in the Senior Loans. Notwithstanding the foregoing, with respect to any sale other than to an Interested Person, the Special Servicer will not be obliged to accept the higher cash offer if the Special Servicer determines, in accordance with the Servicing Standard, that rejection of such offer would be in the best interests of the Issuer and the Retention Holder as Senior Lenders, and the Special Servicer may accept a lower cash offer (from any person other than an Interested Person) if it determines, in accordance with the Servicing Standard, that acceptance of such offer would be in the best interests of the Issuer and the Retention Holder, as Senior Lenders.

In soliciting offers for any UK REO Property, the Special Servicer must, as part of the relevant solicitation process, make it clear to potential purchasers that any offers made in respect of one or more UK REO Properties must be made separately to any offers made in respect of the Dutch REO Property and, if and to the extent that any offers are received which are conditional upon the acceptance of an offer with respect to the Dutch REO Property or vice versa, such bid

or offer will not be considered by the Special Servicer and the Special Servicer will not be entitled to consider and/or accept any such linked bid or conditional offer unless the Special Servicer determines that there is no conflict between the interests of the Issuer as holder of the Securitised GBP Loan and the interests of the Issuer as holder of the Securitised EUR Loan in relation to the acceptance of any such offer or the Special Servicer is acting on the instructions of the GBP Controlling Class and the EUR Controlling Class provided by way of an Ordinary Resolution passed by each Controlling Class at a separate meeting of each Controlling Class (or, in each case, an equivalent Written Ordinary Resolution).

Where the Special Servicer instructs the Issuer to convene a meeting of the Noteholders of any Class to consider a conflict between the interests of the GBP Noteholders and the EUR Noteholders in respect of any offer, or competing offers made to purchase one or more UK REO Properties and the Dutch REO Property together (in circumstances where the Special Servicer has determined that a conflict of interests exists between them in accordance with the Servicing Standard) and an Ordinary Resolution of each Controlling Class resolving such conflict is not passed at such meeting, the Special Servicer may not accept any such offer.

The Special Servicer may retain an independent contractor to operate and manage any REO Property; however, the retention of an independent contractor will not relieve the Special Servicer of its obligations with respect to such REO Property provided that if the Special Servicer uses reasonable care and was not fraudulent or negligent in the selection of such independent contractor, the Special Servicer shall not be responsible for any damages, costs or losses incurred by reason of any misconduct, fraud or negligence on the part of any such independent contractor. In general, the Special Servicer or an independent contractor employed by the Special Servicer at the expense of the Issuer and the Retention Holder pro rata will be obliged to operate and manage any REO Property in a manner that would, to the extent commercially feasible, maximise the Issuer's and Retention Holder's net after-tax proceeds from such REO Property. After the Special Servicer reviews the operation of such REO Property and considers the Issuer's and Retention Holder's tax reporting position with respect to the income it is anticipated that the Issuer and the Retention Holder would derive from such REO Property, the Special Servicer could determine that it would not be commercially feasible to manage and operate such REO Property in a manner that would minimise the imposition of a tax on net income from property (an **REO Tax**).

The determination as to whether income from a REO Property would be subject to an REO Tax will depend on the specific facts and circumstances relating to the management and operation of the REO Property. Any REO Tax or other tax imposed on the Issuer's income from a REO Property would reduce the amount available for distribution to Noteholders.

If the Senior Loan Security is enforced and any of the Properties are sold, the net proceeds of sale (after payment of the costs and expenses of the sale, including any Liquidation Fees payable in

connection therewith) will, together with any amount payable to any Senior Borrower on any related insurance contracts (to the extent such amounts may be applied in repayment of the Senior Loans), be applied against the sums owing from any Senior Borrower to the extent necessary to repay the relevant Senior Loan and related costs.

Reo Loans

A REO Loan shall be deemed to have Senior Loan Interest Payment Dates and the other terms and conditions as for the relevant Senior Loan, including without limitation, with respect to the calculation of the interest on the relevant Senior Loan in effect from time to time (such terms and conditions to be applied without regard to the default on relevant Senior Loan). A REO Loan shall be deemed to have an outstanding principal balance of its relevant predecessor Senior Loan as of the date that such REO Property was acquired. All amounts due and owing in respect of the predecessor Senior Loan as of the date of acquisition of such REO Property, including, without limitation, accrued and unpaid interest, shall continue to be due and owing in respect of an REO Loan. Collections in respect of an REO Loan (exclusive of amounts to be applied to the payment of, or to be reimbursed to the Special Servicer for the payment of, the costs of operating, managing and maintaining the related REO Property) will be applied by the Special Servicer in the order of priority as would be permitted under the relevant Senior Finance Document.

Valuation and Valuation Reduction Amounts

The Servicer or, if the relevant Senior Loan is a Specially Serviced Loan, the Special Servicer using reasonable endeavours, is required to request an independent valuer who is a member of the Royal Institution of Chartered Surveyors or a qualified independent valuer acting in accordance with the then current RICS Appraisal and Valuation Standards (i) to prepare and deliver a full valuation at least once every 12 months commencing on 15 February in each year starting from 15 February 2016 at the cost of Senior PledgeCo in accordance with the terms of the Senior Facility Agreement; and (ii) within five Business Days of the occurrence of a Valuation Event to prepare and deliver a new desktop valuation within 30 days of such Valuation Event, if and for so long as there does not exist a valuation of the Properties securing the Senior Loans, previously obtained by the Servicer or the Special Servicer, as applicable, in accordance with the Senior Facility Agreement or by means of instructions given to the valuer by the Servicer or Special Servicer, which is less than 12 months old (a **Recent Valuation**) and provided that such Recent Valuation is not based upon materially different assumptions than those that would be the basis for any new valuation that would be obtained in the reasonable opinion of the Servicer or, if the relevant Senior Loan is then a Specially Serviced Loan, the Special Servicer acting in accordance with the Servicing Standard.

The Servicer or, as applicable, the Special Servicer shall seek to recover the costs of such valuations from the relevant Senior Obligor in accordance with the Senior Facility Agreement. The cost of such an updated valuation shall be paid by the Issuer and the Retention Holder pro rata according to their respective interests in the Senior Loans, if and to the extent that the same cannot be recovered from the Senior Obligor.

In addition, at any time after the occurrence of a Special Servicing Transfer Event that is continuing, the Issuer shall on receipt of a written request from Noteholders representing in aggregate at least 10 per cent. of the GBP Notes or the EUR Notes, as applicable, (other than the Class X Certificates) by Principal Amount Outstanding convene a meeting of all of the Noteholders of the relevant Notes (other than the holders of Class X Certificates) as a single class to consider a GBP Ordinary Resolution or EUR Ordinary Resolution, as applicable, instructing the Special Servicer to commission a desktop valuation of the relevant Properties, at the cost of the Issuer, for the purposes of determining the Valuation Reduction Amount at such time provided that no more than one such meeting can be convened in any 12 month period.

The Servicer or, if a Senior Loan is then a Specially Serviced Loan, the Special Servicer shall calculate the Valuation Reduction Amount for (i) the Senior GBP Loan based upon the valuation obtained in the circumstances described in the two paragraphs above or, if the Servicer or, if the Senior GBP Loan is then a Specially Serviced Loan, the Special Servicer determines it to be applicable, the Recent Valuation (such valuation, the **GBP Control Valuation**) and (ii) the Senior EUR Loan based upon the valuation obtained in the circumstances described in the two paragraphs above or, if the Servicer or, if the Senior EUR Loan is then a Specially Serviced Loan, the Special Servicer determines it to be applicable, the Recent Valuation (such valuation, the **EUR Control Valuation** and, together with the GBP Control Valuation, the **Control Valuations**) and shall notify such amounts to the Issuer and Cash Manager.

The Cash Manager shall calculate and determine whether a GBP Control Valuation Event or EUR Control Valuation Event has occurred in accordance with the provisions of the Cash Management Agreement and notify the parties to the Servicing Agreement of any such occurrence.

Any GBP Noteholder of any Class which is the subject of a GBP Control Valuation Event may, at its discretion, instruct the Servicer, or if a Senior Loan is a Specially Serviced Loan, the Special Servicer to obtain another desktop valuation on the same basis as the previous GBP Control Valuation, at the cost and expense of such GBP Noteholder from another independent valuer who is a member of the Royal Institution of Chartered Surveyors or a qualified independent valuer acting in accordance with the then current RICS Appraisal and Valuation Standards and any EUR Noteholder of any Class which is the subject of a EUR Control Valuation Event may, at its discretion, instruct the Servicer, or if a Senior Loan is a Specially Serviced Loan, the Special Servicer to obtain another desktop valuation on the same basis as the previous EUR Control Valuation, at the cost and expense of such EUR Noteholder from another independent valuer who is a member of the Royal Institution of Chartered Surveyors or a qualified independent valuer acting in accordance with the then current RICS Appraisal and Valuation Standards as applicable and who, in each case, has experience performing valuations of hotels in the United Kingdom and Europe.

The Servicer or the Special Servicer, as applicable, will use all reasonable endeavours to procure that such additional valuation is obtained within 30 days of the date of receipt of the instruction from such Noteholder. In the event that a subsequent valuation is so obtained, the Servicer or the Special Servicer, as applicable, will be entitled to use either of the valuations obtained (provided that it must determine which valuation to use within 15 days of receipt of the second such valuation) to determine the Valuation Reduction Amount.

On the first Note Payment Date occurring on or after the delivery of the later relevant updated valuation, the Servicer or the Special Servicer, as applicable, will adjust the Valuation Reduction Amount (if applicable) to take into account the relevant valuation and will promptly (if it has determined to use such subsequent valuation for such purpose) provide the Cash Manager and the related Noteholder with such calculations.

Within 60 days after the occurrence of a Special Servicing Transfer Event, the Special Servicer will be required to order a valuation (which valuation will not be required to be received within that 60-day period) unless a Recent Valuation has been obtained and such Recent Valuation is not based upon materially different assumptions than those that would be the basis for any new valuation that would be obtained in the reasonable opinion of the Special Servicer acting in accordance with the Servicing Standard. The cost of such valuation shall be paid by the Issuer and the Retention Holder *pro rata* according to their respective interests in the Senior Loans.

A **Valuation Event** means with respect to the relevant Senior Loan (i) the date on which an amendment or modification is entered into with respect to the relevant Senior Loan which adversely affects in the reasonable opinion of the Servicer or Special Servicer, as applicable, any material economic term; (ii) the 40th day following the occurrence of any uncured failure to make a scheduled payment with respect to the relevant Senior Loan (other than a scheduled payment in sub-clause (iii) of this definition); (iii) upon the occurrence of any payment default on the relevant Senior Loan at its maturity date, or (iv) receipt of notice that a Senior Obligor with respect to the relevant Senior Loan has become subject to any insolvency proceedings or the date on which a receiver or administrator is appointed and continues in such capacity in respect of such Senior Obligor or a Property or 60 days after such Senior Obligor becomes the subject of insolvency proceedings and such proceedings are not dismissed.

Valuation Reduction Amount means an amount (subject to a minimum of zero) equal to the excess, if any, of:

- (a) the outstanding principal balance of the relevant Senior Loan over
- (b) the excess of:
 - (i) 90 per cent. of the sum of the values set forth in the respective Control Valuations for each Property securing the relevant Senior Loan (including all reserves or similar amounts which may be applied toward payments on the relevant Senior Loan) excluding the values of any relevant Properties no longer held by a Senior Borrower at the testing date above, over,
 - (ii) the sum of:
 - (A) all unpaid interest on the relevant Senior Loan;
 - (B) any other unpaid fees, expenses and other amounts that are payable prior to amounts payable to the Issuer under the relevant Senior Loan; and
 - (C) all currently due and unpaid ground rents and insurance premia and all other amounts due and unpaid with respect to the relevant Properties.

The Valuation Reduction Amount will be redetermined on each occasion on which an updated Control Valuation is obtained by reference to such Control Valuation.

The Servicer or, if the relevant Securitised Loan is a Specially Serviced Loan, the Special Servicer shall notify the Liquidity Facility Provider of the Valuation Reduction Amount set forth in any Control Valuation or replacement thereof promptly following its receipt of such new valuation.

Controlling Class and Operating Advisors

Each of the GBP Controlling Class and the EUR Controlling Class, respectively, may from time to time separately appoint by way of an GBP Ordinary Resolution or EUR Ordinary Resolution, as applicable, any person to be its representative for the purposes of Condition 17 (with respect to the GBP Controlling Class, the **GBP Operating Advisor** and, with respect to the EUR Controlling Class, the **EUR Operating Advisor** and together, the **Operating Advisors**).

At any time when any GBP Operating Advisor is appointed, the Servicer or, if applicable, the Special Servicer, in respect of any matter requiring it to act, shall determine whether such matter relates to the Senior GBP Loan only (in which case only the GBP Operating Advisor will need to be consulted and/or its consent required) or it relates to the Senior EUR Loan only (in which case only the EUR Operating Advisor will need to be consulted and/or its consent required) (in such circumstances such Operating Advisor will be the **Relevant Operating Advisor**).

The Servicer or Special Servicer must not, for at least five Business Days after notifying the Relevant Operating Advisor of its intention to do so, agree to amend or waive any provision of the Senior Finance Documents if the effect of such waiver or amendment would be (among other things):

- (a) to change the date on which any amount is due to be paid by a Senior Obligor with respect to the relevant Senior Loan, the timing of any payment, any principal amount or the interest rate payable in respect of the relevant Senior Loan;
- (b) to release any Senior Obligor from any of its material obligations under or in respect of the Senior Finance Documents other than in accordance with the terms thereof;
- (c) to waive any Senior Loan Event of Default; or
- (d) to approve a restructuring plan in insolvency of a relevant Senior Obligor.

If within five Business Days of having been notified of any such action proposed to be taken by the Servicer or the Special Servicer, the Relevant Operating Advisor has not confirmed in writing to the Servicer or the Special Servicer whether it agrees or disagrees with the proposed course of action, the Relevant Operating Advisor will be deemed to have agreed thereto. If the Relevant Operating Advisor notifies the Servicer or the Special Servicer that it disagrees with the proposed course of action, the parties will follow the steps set out in the Servicing Agreement to come to a conclusion as to what proposed course of action should be taken. If there is any conflict between any action which the Special Servicer would be required to take in order to comply with the advice and/or representations of the Relevant Operating Advisor, and the Servicing Standard, the Servicing Standard should prevail.

Termination for cause of the appointment of the Servicer or Special Servicer

The following constitute **Servicing Termination Events** under the Servicing Agreement:

- (a) in respect of the Servicer only, failure by the Servicer, or, where they are the same entity as the Servicer, the Senior Facility Agent or the Common Security Agent 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 Senior Finance Documents by 11.00am (London time) on the Business Day 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 or the Senior Finance Documents by 11.00am (London time) on the Business Day 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 (A) the date on which the Servicer or Special Servicer, as applicable, becomes aware of such failure or (B) the date on which written notice of such failure is given to the Servicer or Special Servicer, as applicable, by the Issuer and/or the Issuer Security Trustee; provided, however, that with respect to any such failure that is not curable within such 30-day period, the Servicer or the Special Servicer, as applicable, will have an additional cure period of 30 days to effect such cure so long as it has commenced to cure such failure within the initial 30-day period and has provided the Issuer and the Issuer Security Trustee with an officer's certificate certifying that it has diligently pursued, and is continuing to diligently pursue, such cure; provided further that if the failure by the Servicer or the Special Servicer, as applicable, is a failure to deliver a complete Servicer Quarterly Report or other report required to be delivered pursuant to the Servicing Agreement, no Servicing Termination Event shall occur if such failure resulted from the failure of (with respect to the Servicer only) the Special Servicer, the Cash Manager or the Senior Obligors to deliver required information to the Servicer or Special Servicer, as applicable;
- (d) material breach by the Servicer or Special Servicer, as applicable, of any representation or warranty given by it under the Servicing Agreement in any material respect, and the circumstances giving rise to such material breach are not remedied by the date falling 30 days after the earlier to occur of (A) the date on which the Servicer or Special Servicer, as applicable, becomes aware of such breach or (B) the date on which written notice of such breach is given to the Servicer or Special Servicer, as applicable, by the Issuer and/or the Issuer Security Trustee;
- (e) certain events of bankruptcy, insolvency, administration or similar proceedings and certain actions by, on behalf of or against the Servicer or for so long as any Securitised Loan is a Specially Serviced Loan, the Special Servicer, as applicable, and such decree or order has remained in force undischarged or unstayed for a period of 60 days; provided, however, that, with respect to any such decree or order that cannot be discharged, dismissed or stayed within such 60-day period, the Servicer or for so long as a Securitised Loan is a Specially Serviced Loan, the Special Servicer, will have an additional period of 30 days to effect such discharge, dismissal or stay so long as it has commenced proceedings to have such decree or order dismissed, discharged or stayed within the initial 60-day period and has diligently pursued, and is continuing to pursue, such discharge, dismissal or stay;

- (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 perform such material part of the obligations lawfully; 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 Noteholder person related thereto) in connection with securing its appointment (or keeping such appointment) under the Servicing Agreement.

Rights upon Servicing Termination Event; replacement of Servicer and Special Servicer

Upon the occurrence of any Servicing Termination Event the Issuer or the Issuer Security Trustee, as applicable, may by notice in writing to the Servicer or the Special Servicer (with a copy to each of the Rating Agencies), as the case may be, terminate the appointment of the Servicer (if the Servicing Termination Event is in respect of the Servicer) or the Special Servicer (if the Servicing Termination Event is in respect of the Special Servicer).

Noteholder Termination

If the Issuer Security Trustee is notified by the Note Trustee that each Class of Noteholders (acting by Extraordinary Resolution) has directed that the Servicer and/or the Special Servicer be replaced, 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.

Controlling Class Termination

If (a) both Senior Loans have been (and remain) designated Specially Serviced Loans, and (b) the Issuer is so instructed by the GBP Operating Advisor and the EUR Operating Advisor, each on behalf of the relevant Controlling Class pursuant to Condition 17 (Controlling Class), acting together, then the Issuer must give notice to the Special Servicer to terminate the appointment of that person as Special Servicer.

Operating Advisor Termination

The Operating Advisor, shall at any time be entitled to require the Issuer Security Trustee to terminate the appointment of the Special Servicer with respect to a Securitised Loan, and at the expense of the Operating Advisor to replace the Special Servicer with a successor special servicer provided that no such termination and replacement shall be effective unless:

- (a) the termination request from the Operating Advisor nominates a successor special servicer who has confirmed in writing to the Issuer and the Issuer Security Trustee that it is willing to accept the appointment on the terms of the Servicing Agreement;
- (b) the successor special servicer has certified in writing to the satisfaction of the Issuer and the Issuer Security Trustee upon which certification the Issuer Security Trustee may rely absolutely and without enquiry or liability that:

- (i) it is experienced in specially servicing or working out defaulted loans which are similar in size and complexity and are secured on commercial real estate in the same jurisdiction as the Senior Loan, and
- (ii) it is experienced in working out or specially servicing loans secured by mortgages over commercial property on similar terms to that required under the Servicing Agreement; and
- (c) no other termination request has been made by the relevant Operating Advisor (or any other Operating Advisor appointed by the majority holders of the same Controlling Class (including the Retention Holder as if it were a Noteholder of that Class) in the 12 months prior to the date of the relevant termination request.

Appointment of substitute

No termination of the appointment of 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.

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 (no such resignation will be effective until a replacement servicer or special servicer, as the case may be, has been appointed).

Rating Agency Confirmation

The termination of the appointment, or the resignation, of the Servicer or the Special Servicer, as applicable, will not take effect until, among other things, a Rating Agency Confirmation is received, subject to Condition 13.6 (Rating Agency Confirmation).

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 Notes or any of the other Issuer Transaction Documents.

YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS OF THE NOTES

The yield to maturity on any Class of Notes will depend upon the price paid by the Noteholders, the interest rate thereof from time to time, the rate and timing of the distributions in reduction of the Principal Amount Outstanding of such Class 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 Noteholders receive in respect of the Notes are derived from principal repayments on the Securitised Loan.

The rate of distributions of principal in reduction of the Principal Amount Outstanding of any Class of Notes, the aggregate amount of distributions in principal on any Class of Notes and the yield to maturity on any Class of Notes will be directly related to the rate of payments of principal on the Senior Loans, the amount and timing of Borrower defaults and the severity of losses occurring upon a default.

Losses with respect to the Securitised Loans may occur in connection with a default on the Senior Loans and/or the liquidation of all or part of the Properties.

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 Notes. **Issuer Assets** means the Securitised Loans and the related Senior Loan Security and interest of the Issuer, as beneficiary, in respect of the relevant Senior Loan Security and all monies derived therefrom from time to time, held by the Issuer on, or at any time following, the Closing Date.

The rate of payments (including voluntary and involuntary prepayments) on the Securitised Loans 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 Senior Borrowers and the rate at which the Senior Borrowers default on the Senior Loans. The terms of the Securitised Loans and, in particular, the extent to which any Senior Borrower is entitled to prepay the Securitised Loan, the ability of the Senior Borrowers 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 Senior Borrowers to ensure that certain debt service coverage tests are met as a condition to the disposal of the Properties, the risk of compulsory purchase of the Properties and the risk that payments by the Senior Borrowers may become subject to Loan Tax or result in an increased cost for the Issuer may affect the rate of principal payments on the Securitised Loans and, consequently, the yield to maturity of the Classes of Notes.

The timing of changes in the rate of prepayment on the Securitised Loans 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 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 Loans or as to the yield to maturity of any Class of Notes. An investor is urged to make an investment decision with respect to any Class of Notes based on the anticipated yield to maturity of such Class of Notes resulting from its purchase price and such investor's own determination as to anticipated prepayment rates in respect of the Securitised Loans under a variety of scenarios. The extent to which any Class of Notes is purchased at a discount or a premium and the degree to which the timing of payments on such Class of Notes is sensitive to prepayments will determine the extent to which the yield to

maturity of such Class of Notes may vary from the anticipated yield. An investor should carefully consider the associated risks, including, in the case of any Notes purchased at a discount, the risk that a slower than anticipated rate of principal payments on the Securitised Loans could result in an actual yield to such investor that is lower than the anticipated yield and, in the case of any 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 rapid rates of prepayments on the Securitised Loan, and therefore of amounts distributable in reduction of the principal balance of the 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 Notes. Conversely, slower rates of prepayments on the Securitised Loan, and therefore, of amounts distributable in reduction of the principal balance of the 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 Notes

The weighted average life of 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 Note is distributed to the investor. For the purposes of this Prospectus, the weighted average life of a Note is determined by (a) multiplying the amount of each principal distribution thereon by the number of years from the Closing Date to the related Note Payment Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in the Principal Amount Outstanding of such Note. Accordingly, the weighted average life of any such 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 of Notes to which such Note belongs.

For the purposes of preparing the following table, it was assumed that:

Remaining Balance of the Notes

For the purposes of preparing the following table, it was assumed that:

- (i) the initial Principal Amount Outstanding of, and the interest rates for, each Class of GBP Notes and for each Class of EUR Notes are as set forth herein;
- (ii) the scheduled payments for the Securitised Loans is based on scheduled principal (assuming funds are available therefore) and interest payments;
- (iii) all scheduled payments are assumed to be timely received on the due date of each commencing on the first Note Payment Date;
- (iv) there are no delinquencies or losses in respect of the Securitised Loans, there are no extensions of maturity in respect of the Securitised Loans and there are no casualties or compulsory purchases affecting the Properties;
- (v) no prepayments are made on the Securitised Loans (except as otherwise assumed in the Scenarios);
- (vi) none of the Issuer, the Servicer or the Special Servicer, as applicable, exercises the rights of optional redemption described herein and in Conditions 7.3 (*Optional Redemption for Tax or Other Reasons*) and 7.4 (*Optional Redemption in Full*) of the Conditions, as applicable;

- (vii) there are no additional unanticipated administrative expenses;
- (viii) interest payments on the Notes are made on each Note Payment Date, commencing in August 2015;
- (ix) the prepayment provisions for the Securitised Loans are as set forth in this Prospectus, assuming
- (x) the term for the prepayment provisions begin on the relevant Securitised Loan's first Senior Loan Interest Payment Date;
- (xi) the Closing Date is 18 June 2015;
- (xii) no Note Acceleration Notice has been served; and
- (xiii) the weighted average lives of the Notes have been calculated on an actual/365 basis on the GBP Notes and actual/360 basis on the EUR Notes.

Assumptions (i) through (xiii) above are collectively referred to as, the **Modelling Assumptions**.

Scenario 1: it is assumed that each Securitised Loan is prepaid in full on the first Senior Loan Interest Payment Date on which prepayments in full can be made without any prepayment penalties, such date being the Senior Loan Interest Payment Date in February 2016.

Scenario 2: it is assumed that each Securitised Loan is repaid in full on its respective Initial Senior Loan Repayment Date.

Scenario 3: it is assumed that each Securitised Loan is repaid in full on its respective Second Extended Senior Loan Maturity Date.

Scenarios 1, 2 and 3 are collectively referred to herein as the **Scenarios**.

Based on the Modelling Assumptions, the following table sets forth the percentage of the initial Principal Amount Outstanding of each such Class of GBP Notes and Class of EUR Notes that would be outstanding after the Closing Date and on each Note Payment Date, after repayment or prepayment, as applicable, of principal paid in that period.

**Percentage of the Initial Principal Amount Outstanding for each Designated Scenario, GBP
Notes**

Note Payment Date	Class GBP-A			Class GBP-B			Class GBP-C			Class GBP-D			Class GBP-E			Class GBP-F		
	Scenario			Scenario			Scenario			Scenario			Scenario			Scenario		
	%			%			%			%			%			%		
	1	2	3	1	2	1	1	1	3	1	2	3	1	2	3	1	2	3
Closing	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
24 August 2015	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
23 November 2015	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
22 February 2016	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
23 May 2016	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 August 2016	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 November 2016	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 February 2017	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 May 2017	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 August 2017	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 November 2017	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 February 2018	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 May 2018	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 August 2018	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 November 2018	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 February 2019	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 May 2019	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 August 2019	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 November 2019	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
24 February 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	0.68	2.68	4.69	0.68	2.68	4.69	0.68	2.68	4.69	0.68	2.68	4.69	0.68	2.68	4.69	0.68	2.68	4.69

**Percentage of the Initial Principal Amount Outstanding for each Designated Scenario, EUR
Notes**

Note Payment Date	Class EUR-A			Class EUR-B			Class EUR-C			Class EUR-D			Class EUR-E					
	Scenario			Scenario			Scenario			Scenario			Scenario					
	%			%			%			%			%					
	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3			
Closing	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
24 August 2015	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
23 November 2015	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
22 February 2016	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
23 May 2016	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 August 2016	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 November 2016	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 February 2017	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 May 2017	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 August 2017	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 November 2017	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100	0	100	100
22 February 2018	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 May 2018	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 August 2018	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 November 2018	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 February 2019	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 May 2019	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 August 2019	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
22 November 2019	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
24 February 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	0.69	2.72	4.76	0.69	2.72	4.76	0.69	2.72	4.76	0.69	2.72	4.76	0.69	2.72	4.76	0.69	2.72	4.76

Note Payment Dates do not take into account any public holidays.

DESCRIPTION OF THE NOTES

The information set out below has been obtained from sources that the Issuer believes to be reliable and the Issuer accepts responsibility for correctly reproducing this information, 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 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

Each Class of Notes (which, with respect to the GBP Notes, will each be in the denomination of £100,000 and integral multiples of £1 in excess thereof and, with respect to the EUR Notes, will each be in the denomination of €100,000 and integral multiples of €1 in excess thereof) will be represented initially by a Global Note in registered form. The Global Notes will be deposited with a Common Safekeeper and registered in the name of a nominee of the Common Safekeeper, on or about the Closing Date. Upon deposit of the Global Notes, Euroclear and/or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes in the Class and equal to the principal amount thereof for which each such subscriber has subscribed and paid (**Book-Entry Interests**).

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Holding of beneficial interests in Global Notes

Ownership of beneficial interests in respect of Global Notes will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg (direct participants) or persons that hold beneficial interests in the Global Notes 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 Global Notes 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 Global Notes 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 Notes.

Except as set out below under “*Issuance of Definitive Notes*”, participants or indirect participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the 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 relevant Global Note to exercise any rights and obligations of a holder of Notes under the Trust Deed.

Unlike legal owners or holders of the Notes, holders of beneficial interests in the Global Notes will not have the right under the Trust Deed to act upon solicitations by the Issuer of consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of a beneficial interest in a 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 Global Notes to vote on any requested actions on a timely basis. Similarly, upon the occurrence of a Note Event of Default under the Notes, holders of beneficial interests in the Global Notes 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 Trust Deed.

Purchasers of beneficial interests in a Global Note will hold such beneficial interests in the Global Note relating thereto. Investors may hold their beneficial interests in respect of a 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 each 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 Global Notes, see “*Transfer Restrictions*”.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfer of beneficial interests in the Global Notes 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 Notes

Each payment of interest on and repayment of principal of the Notes will be made in accordance with the Agency Agreement.

Payments of any amounts owing in respect of the Global Notes will be made by the Issuer following receipt of any principal or interest on the Global Notes, in sterling as follows: payments of such amounts in respect of the Global Notes to be made to or to the order of 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 Notes in accordance with the procedures of Euroclear or Clearstream, Luxembourg.

Under the terms of the Trust Deed, the Issuer and the Note Trustee will treat the registered holders of Global Notes 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 bookentry interest in a 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 a 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 a Global Note.

All such payments 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 Notes as shown in the records of Euroclear or of Clearstream, Luxembourg. The Issuer expects that payments by participants to owners of beneficial interests in Global Notes 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 Global Notes or for maintaining, supervising or reviewing any records relating to a participant's ownership of beneficial interests in the Global Notes.

Book-entry ownership

Each Global Note will have an ISIN and a common code and will be deposited with a Common Safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of the Common Safekeeper.

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 Notes and secondary market trading of beneficial interests in the Global Notes.

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 Notes 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 Notes, 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 Global Notes 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 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 a 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 in excess thereof with respect to the GBP Notes) and of €100,000 (and integral multiples of €1 in excess thereof with respect to the EUR Notes) 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 Global Notes 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.

Each 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 Notes and the closing date for the offering of the Notes, beneficial interests in a Global Note may be held only through Euroclear or Clearstream, Luxembourg.

Transfer of Global Notes

The Global Notes may be transferred respectively by the Common Safekeeper to a replacement common safekeeper.

Issuance of Definitive Notes

Holders of beneficial interests in a Global Note will be entitled to receive Definitive Notes representing Notes of the relevant Class in registered form in exchange for their respective holdings of beneficial interests only if:

- (a) (in the case of Global Notes held by or on behalf of a Common Safekeeper) 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, Ireland 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 Notes which would not be required were the 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.

Action in respect of the Global Notes and the Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notices in respect of a Global Note or any notice of solicitation of consents or requests for a waiver or other action by the holder of such Global Note, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Note and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Note in accordance with any instructions set out in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under "*Holding of beneficial interests in Global Notes*" above with respect to soliciting instructions from their respective participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

Notices

Whilst the Notes are listed on a stock exchange, and the rules of such stock exchange or any applicable regulation so require, the Issuer shall deliver, through the announcements section of the relevant stock exchange and a regulation information service maintained or recognised by such stock exchange, any notices addressed to Noteholders. In addition, whilst the Notes are represented by Global Notes the Issuer may, and if, for so long as the Notes are listed on a stock exchange, the rules of such stock exchange so allow, (i) send to Euroclear and Clearstream, Luxembourg a copy of any notices addressed to Noteholders for communication by Euroclear and Clearstream, Luxembourg to the Noteholders or (ii) deliver to the electronic communications systems maintained by Bloomberg L.P. a copy of any notices addressed to Noteholders for publication on the relevant page for the Notes or such other medium for the electronic display of data as may be previously approved in writing by

the Note Trustee. Alternatively, if the Notes are in definitive form, such notices regarding the Notes may instead be 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. The Issuer may elect not to publish any notice in a newspaper for so long as the Notes are held in global form and notice is given to Euroclear and Clearstream, Luxembourg. The Note Trustee may, in accordance with Condition 16.4 (*Note Trustee can sanction other methods of giving notice*) sanction other methods of giving notice to all or some of the Noteholders if, in its opinion, such method is reasonable having regard to, among other things, the market practice then prevailing and the requirements of the relevant stock exchange and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require. See also Condition 16 (*Notice to Noteholders*) of the Notes.

DESCRIPTION OF THE GLOBAL CLASS X CERTIFICATES

General

As at the Closing Date, the Class GBP-X1 Certificate will be issued to the Loan Seller and will be represented by a global certificate (the **Class GBP-X1 Global Certificate**), the Class GBP-X2 Certificate will be issued to the Loan Seller and represented by a global certificate (the **Class GBP-X2 Global Certificate**), the Class EUR-X1 Certificate will be issued to the Loan Seller and represented by a global certificate (the **Class EUR-X1 Global Certificate**) and the Class EUR-X2 Certificate will be issued to the Loan Seller and represented by a global certificate (the **Class EUR-X2 Global Certificate**, and together, the **Global Class X Certificates**).

The Global Class X Certificates will each be registered on issue on or around the Closing Date in the name of the Common Depository as nominee for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**). The Registrar will maintain a register in which it will register the nominee for the Common Depository as the holder of the Global Class X Certificates.

Upon confirmation by the Common Depository that it has been issued with the Global Class X Certificates, Euroclear or Clearstream, Luxembourg, as the case may be, will record the beneficial interests in each of the Global Class X Certificates (**Class X Certificate Book-Entry Interests**) representing beneficial interests in the Class X Certificates attributable thereto.

Ownership of Class X Certificate Book-Entry Interests will be limited to participants or indirect 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. Class X Certificate Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the participants' accounts with the respective Class X Certificate Book-Entry Interests beneficially owned by such participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the Loan Seller. Ownership of Class X Certificate Book-Entry Interests will be shown on, and transfers of Class X Certificate Book-Entry Interests or the 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 indirect 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 to own, transfer or pledge Class X Certificate Book-Entry Interests.

So long as the nominee of the Common Depository is the registered holder of the relevant Global Class X Certificate underlying the Class X Certificate Book-Entry Interests, it will be considered the sole Class X Certificateholder of the Class X Certificate represented by that Global Class X Certificate for all purposes under the Trust Deed. Except as set out under the section below entitled "*Issuance of Definitive Class X Certificates*", participants or indirect participants will not receive or be entitled to receive physical delivery of Class X Certificates in definitive form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Class X Certificate Book-Entry Interest 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 participants or indirect participants through which such person owns its interest in the relevant Class X Certificate Book-Entry Interests, to exercise any rights and obligations of a holder of Class X Certificates under the Trust Deed. See the section below entitled "*Action in respect of the Global Class X Certificates and the Class X Certificate Book-Entry Interests*".

Unlike legal owners or holders of the Class X Certificates, holders of the Class X Certificate Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from the Class X Certificateholders. Instead, a holder of Class X Certificate Book-Entry Interests 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 Class X Certificate Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default, holders of Class X Certificate Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Definitive Class X Certificates are issued in accordance with the Class X Certificates 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 Trust Deed.

Unless and until Class X Certificate Book-Entry Interests are exchanged for Definitive Class X Certificates, no Global Class X Certificate held by the nominee for the Common Depositary may be transferred except as a whole by that nominee for the Common Depositary to a successor nominee for that Common Depositary or a nominee of a successor of the Common Depositary.

Purchasers of Class X Certificate Book-Entry Interests in a Global Class X Certificate will hold Class X Certificate Book-Entry Interests in the Global Class X Certificate relating thereto. Investors may hold their Class X Certificate Book-Entry Interests in respect of a Global Class X Certificate directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set out in the section below entitled “*Transfers and Transfer Restrictions*”), 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 Class X Certificate Book-Entry Interests in the Global Class X Certificate 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.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Class X Certificate Book-Entry Interests 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 Arranger, the Lead Manager, the Note Trustee, the Issuer Security Trustee 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.

Issuance of Definitive Class X Certificates

The Global Class X Certificates will each become exchangeable in whole, but not in part, for Definitive Class X Certificates at the request of the holder of the relevant Global Class X Certificate if Euroclear or Clearstream, Luxembourg closes for business on a permanent basis without a successor to act as a clearing system with respect to the Global Class X Certificate (the **Exchange Event**).

Any Definitive Class X Certificate issued in exchange for Class X Certificate Book-Entry Interests in the relevant Global Class X Certificate will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg, as the case may be. 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 Class X Certificate Book-Entry Interests. Whenever a Global Class X Certificate is to be exchanged for Definitive Class X Certificates, the Issuer shall procure the prompt delivery (free of charge to the holders of the Class X Certificate Book-Entry Interests) of such Definitive Class X Certificates, duly authenticated within 30 days of the occurrence of the Exchange Event.

Payments on Global Class X Certificates

Payment of amounts due in respect of the Global Class X Certificates will be made in sterling or euro (as applicable) by or to the order of the Principal Paying Agent on behalf of the Issuer to the order of the Common Depository or its nominee as the registered holder thereof with respect to each Global Class X Certificate.

Each holder of Class X Certificate Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the order of the Common Depository or its nominee in respect of those Class X Certificate Book-Entry Interests. All such payments 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 none of the Issuer, the Principal Paying Agent or 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 from the Principal Paying Agent to the Common Depository, the respective systems will promptly credit their participants' accounts with payments in amounts proportionate to their respective ownership of Class X Certificate Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each record date (the **Record Date**), Euroclear and Clearstream, Luxembourg will determine the identity of the participants for the purposes of making payments under the Global Class X Certificate. The Record Date in respect of the Global Class X Certificate shall be as at the close of business on the Business Day prior to the relevant Note Payment Date. The Issuer expects that payments by participants to owners of interests in Class X Certificate Book-Entry Interests 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", and will be the responsibility of such participants or indirect participants. None of the Issuer, any agent of the Issuer, the Arranger, the Lead Manager, the Note Trustee or the Issuer Security Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a participant's ownership of Class X Certificate Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a participant's ownership of Class X Certificate Book-Entry Interests.

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 Class X Certificates and secondary market trading of beneficial interests in the Class X Certificates.

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 Notes 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 Class X Certificates, may be limited.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Issuer Security Trustee requests any action of owners of Class X Certificate Book-Entry Interests or if an owner of a Class X Certificate Book-Entry Interest desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed or the Issuer Deed of Charge, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the participants owning the relevant Class X Certificate Book-Entry Interests to give instructions or take such action, and such participants would authorise indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

Transfers and Transfer Restrictions

All transfers of Class X Certificate Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its participants (see the section above entitled “—*General*”).

Beneficial interests in the Global Class X Certificates may be held only through Euroclear or Clearstream, Luxembourg. Each of the Global Class X Certificate will bear a legend similar to that appearing under the section of this Prospectus entitled “*Transfer Restrictions*” below, and neither any Global Class X Certificate nor any beneficial interest therein may be transferred except in compliance with the transfer restrictions set out in the legend appearing in the relevant Global Class X Certificate.

Action in respect of the Global Class X Certificates and the Class X Certificate Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notice in respect of a Global Class X Certificate or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Class X Certificate, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Class X Certificate Book-Entry Interests or the relevant Global Class X Certificate and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Class X Certificate Book-Entry Interests or the relevant Global Class X Certificate in accordance with any instructions set out in such request. Euroclear and Clearstream, Luxembourg are expected to follow the procedures described under the section above entitled “*General*”, with respect to soliciting instructions from their respective participants.

Notices

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices addressed to Class X Certificateholders for communication by Euroclear and Clearstream, Luxembourg to the Class X Certificateholders and shall procure that the information contained in such notice shall appear on a Relevant Screen Page (see also Class X Certificates Condition 13 (Notice to Class X Certificateholders)). The Note Trustee may in accordance with the Class X Certificates Condition 13.2 (Note Trustee’s Discretion to Select Alternative Method)) sanction other methods of giving notice to all or some of the Class X Certificateholders, if such method is reasonable having regard to the then prevailing market practice.

DESCRIPTION OF THE TRUST DEED AND THE ISSUER DEED OF CHARGE

Trust Deed

The Note Trustee will be appointed pursuant to the Trust Deed to represent the interests of the Noteholders and the Class X Certificateholders. The Note Trustee will agree to hold the benefit of the covenants of the Issuer contained in the Trust Deed on behalf of itself and on trust for the Noteholders and the Class X Certificateholders.

Among other things, the 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 Notes and the Class X Certificates (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 Notes, to the conduct of its affairs generally and to certain on-going obligations connected with its issuance of the Notes and the Class X Certificates;
- (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, secured or pre-funded to its satisfaction before exercising certain powers and discretions;
- (d) sets out whose interests the Note Trustee should have regard to when there is a conflict between the interests of the different Classes of Noteholders;
- (e) provides that the determinations of the Note Trustee will be conclusive and binding on the Noteholders and the Class X Certificateholders;
- (f) 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;
- (g) 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;
- (h) sets out the terms upon which the Note Trustee may, without the consent of the Noteholders, waive or authorise any breach or proposed breach of covenant by the Issuer or determine that a Note Event of Default or an event which will become a Note Event of Default with the giving of notice or the passage of time will not be treated as such;
- (i) sets out the terms upon which the Note Trustee may, without the consent of the Noteholders, make or sanction any modification to the Conditions or to the terms of the Trust Deed or certain other Issuer Transaction Documents; and
- (j) sets out the requirements for the organisation of Noteholder meetings.

The 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 fewer than three months' prior written notice to the Issuer. The holders of the Notes of each Class acting as a single class by Ordinary Resolution may together remove the Note Trustee from office provided that all provisions of the 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.

Issuer Deed of Charge

Issuer Security

The Issuer will create security (the **Issuer Security**) over all of its assets and undertakings, in favour of the Issuer Security Trustee on trust for itself and for the other Issuer Secured Creditors 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 Transaction 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 with respect to the Issuer Security.

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 Notes, the Class X Certificates and the other Issuer Transaction Documents.

Issuer Secured Creditors means the Issuer Security Trustee (and any receiver or other Appointee appointed by it), the Noteholders, the Class X Certificateholders, the Liquidity Facility Provider (in respect of amounts due under the Liquidity Facility Agreement) and each of the Servicer, the Special Servicer, the Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, any Paying Agent, the Note Trustee and any Appointee appointed by it, the Corporate Services Provider, the Registrar and any other person acceding as a beneficiary to the Issuer Deed of Charge from time to time.

The Issuer Deed of Charge:

- (a) regulates the relationships between the various Issuer Secured Creditors (including the Note Trustee on behalf of the Noteholders) and sets out the Issuer Priorities of Payments (refer to the section entitled “*Cashflows 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; and
- I includes market standard limited recourse and non-petition provisions.

NOTEHOLDER COMMUNICATIONS

Any Verified Noteholder will be entitled from time to time to request the Cash Manager to request other Noteholders of any Class or Classes to contact it subject to and in accordance with the following provisions.

For these purposes **Verified Noteholder** means a Noteholder which has certified to the Cash Manager in accordance with Condition 13.18 (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), the Cash Manager will publish such notice on its investor reporting website and as an addendum to any Cash Manager Quarterly Report or other report to Noteholders 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 any specified Class or Classes of the same) to contact the Initiating Noteholder;
- (b) the name of the Initiating Noteholder and the address, phone number, website or email address at which the Initiating Noteholder can be contacted; and
- (c) the date(s) from, on or between which the Initiating Noteholder may be so contacted.

The Cash Manager will not be permitted to publish any further or different information through this mechanism.

The 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 Noteholders receive the same.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed. The terms and conditions set out below will apply to the Notes in global form.

The £109,259,000 Class GBP-A Commercial Mortgage Backed Notes due 2025 (the **Class GBP-A Notes** and the holders thereof, the **Class GBP-A Noteholders**), the £42,023,000 Class GBP-B Commercial Mortgage Backed Notes due 2025 (the **Class GBP-B Notes** and the holders thereof, the **Class GBP-B Noteholders**), the £14,228,000 Class GBP-C Commercial Mortgage Backed Notes due 2025 (the **Class GBP-C Notes** and the holders thereof, the **Class GBP-C Noteholders**), the £48,768,000 Class GBP-D Commercial Mortgage Backed Notes due 2025 (the **Class GBP-D Notes** and the holders thereof, the **Class GBP-D Noteholders**), the £29,318,000 Class GBP-E Commercial Mortgage Backed Notes due 2025 (the **Class GBP-E Notes** and the holders thereof, the **Class GBP-E Noteholders**), the £7,488,000 Class GBP-F Commercial Mortgage Backed Notes due 2025 (the **Class GBP-F Notes** and the holders thereof, the **Class GBP-F Noteholders** and, the Class GBP-F Notes, together with the Class GBP-A Notes, the Class GBP-B Notes, the Class GBP-C Notes, the Class GBP-D Notes and the Class GBP-E Notes, the **GBP Notes**), the €54,789,000 Class EUR-A Commercial Mortgage Backed Notes due 2025 (the **Class EUR-A Notes** and the holders thereof, the **Class EUR-A Noteholders**), the €21,915,000 Class EUR-B Commercial Mortgage Backed Notes due 2025 (the **Class EUR-B Notes** and the holders thereof, the **Class EUR-B Noteholders**), the €21,915,000 Class EUR-C Commercial Mortgage Backed Notes due 2025 (the **Class EUR-C Notes** and the holders thereof, the **Class EUR-C Noteholders**), the €26,298,000 Class EUR-D Commercial Mortgage Backed Notes due 2025 (the **Class EUR-D Notes** and the holders thereof, the **Class EUR-D Noteholders**) and the €6,048,000 Class EUR-E Commercial Mortgage Backed Notes due 2025 (the **Class EUR-E Notes** and the holders thereof, the **Class EUR-E Noteholders** and, the Class EUR-E Notes, together with the Class EUR-A Notes, the Class EUR-B Notes, the Class EUR-C Notes and the Class EUR-D Notes, the **EUR Notes**, and together with the GBP Notes, the **Notes**), in each case of Mint 2015 plc (the **Issuer**) are constituted by a trust deed dated on or about 18 June 2015 (the **Closing Date**) (the **Trust Deed**, which expression includes such 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 Trust Deed) as trustee for the holders for the time being of the Notes.

The holders of each of the GBP Notes are together referred to as the **GBP Noteholders**, and the holders of the EUR Notes are together referred to as the **EUR Noteholders**. The GBP Noteholders and the EUR Noteholders are together referred to as the **Noteholders**.

Class shall be a reference to any, or all, of the Class GBP-A Notes, Class GBP-B Notes, Class GBP-C Notes, Class GBP-D Notes, Class GBP-E Notes, Class GBP-F Notes, Class EUR-A Notes, Class EUR-B Notes, Class EUR-C Notes, Class EUR-D Notes and Class EUR-E Notes (or the Notes as a single class as the context may require), or their respective holders, as the case may be, and **Classes** shall be construed accordingly.

The security for the Notes 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, UK 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 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**)), the agent bank (the **Agent Bank**, which expression includes its successors or any other agent bank appointed in respect of the Notes) and the registrar (the **Registrar**, which expression includes its successors or any other registrar appointed in respect of the 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 Notes of each Class.

The Noteholders and all persons claiming through them or under the Notes are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the 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 Trust Deed, the Issuer Deed of Charge, the Agency Agreement and the master definitions and construction schedule entered into by, among others, the Issuer, the Note Trustee, the Issuer Security Trustee and the Agents (the **Master Definitions Schedule**) dated on or about the Closing Date.

Copies of the Trust Deed, the Issuer Deed of Charge, the Agency Agreement and the Master Definitions Schedule are available for inspection during normal business hours at the specified office for the time being of each of the Paying Agents.

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions Schedule available as described above. These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions Schedule.

1. FORM, DENOMINATION AND TITLE

1.1 Form and denomination

- (a) Each Class of Notes will initially be represented by a global note certificate in registered form (a **Global Note**).
- (b) For so long as any of the 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. Each Global Note will be deposited with and registered in the name of a nominee of a Common Safekeeper for Euroclear and Clearstream, Luxembourg.
- (c) For so long as the (a) Class of GBP Notes is represented by a Global Note (each a **GBP Global Note**), and for so long as Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in the minimum nominal amount of £100,000 and higher integral multiples of £1, notwithstanding that no registered Definitive Notes (as defined below) will be issued with a denomination above £199,999.
- (d) For so long as a Class of EUR Notes is represented by a Global Note (each, a **EUR Global Note**), and for so long as Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in the minimum nominal amount of €100,000 and higher integral multiples of €1, notwithstanding that no registered Definitive Notes (as defined below) will be issued with a denomination above €199,999.

1.2 Title

- (a) Title to the Notes passes only by and upon registration in the register of Noteholders (the **Register**) which the Issuer shall procure be kept by the Registrar. The registered holder of any 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 Notes 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 a 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 Notes

- (a) Upon deposit of the Global Notes, Euroclear or Clearstream, Luxembourg, as applicable, will credit the account of each Accountholder (as defined below) with the principal amount of 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 Issuer.
- (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 a 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 a 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 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) A Global Note will be exchangeable for definitive Notes of the relevant Class in registered form (**Definitive Notes**) in an aggregate principal amount equal to the Principal Amount Outstanding (as defined in Condition 7.7 (Redemption Amount and Principal Amount Outstanding)) of the relevant Global Note only if any of the following circumstances apply:
 - (i) in the case of a Global Note held by or on behalf of a Common Safekeeper, 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 Notes which would not be required if the Notes were in definitive registered form.
- (b) If Definitive Notes are issued in respect of Notes originally represented by a Global Note, the beneficial interests represented by such Global Note shall be exchanged by the Issuer for the relevant Notes in registered definitive form. The aggregate principal amount of the Definitive Notes of the relevant Class shall be equal to the Principal Amount Outstanding of the Notes at the date on which notice of exchange is given of the Global Note for such Class, subject to and in accordance with the detailed provisions of these Conditions, the Agency Agreement, the Trust Deed and the relevant 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 a minimum original principal amount of £100,000 or €100,000, as applicable, and will be serially numbered.
 - (e) Definitive Notes, if issued, will be available at the offices of any Paying Agent. If the Issuer fails to meet obligations to issue Notes in definitive form in exchange for a Global Note, then that Global Note shall remain in full force and effect.
 - (f) For the purposes of these Conditions references herein to Notes shall include the Global Notes and the Definitive Notes. These Conditions and the Issuer Transaction Documents will be amended in such manner as the Note Trustee and 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 (with respect to a GBP Global Note) or EUR100,000 (with respect to a EUR Global Note) 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 (with respect to a GBP Global Note) or EUR100,000 (with respect to a EUR Global Note)) 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 section titled “*Transfer Restrictions*” in the Prospectus.

3. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND SECURITY

3.1 Status and relationship between the Notes

- (a) The Notes constitute unconditional (subject as provided in Condition 11 (Enforcement)), direct, secured and limited recourse obligations of the Issuer. The Notes of each Class will rank *pari passu* without any preference or priority among themselves as to payments of interest, principal and other amounts at all times, so that:
- (A) in respect of the GBP Notes:
- (i) the Class GBP-A Notes rank *pari passu* without preference or priority among themselves and senior (except in respect of a Note LIBOR Excess Amount) to all other Classes of GBP Notes as provided in the Conditions and the Issuer Transaction Documents;
 - (ii) the Class GBP-B Notes rank *pari passu* without preference or priority among themselves but junior to the Class GBP-A Notes (except in respect of any Note LIBOR Excess Amount) and senior to the Class GBP-C Notes, the Class GBP-D Notes, the Class GBP-E Notes and the Class GBP-F Notes as provided in the Conditions and the Issuer Transaction Documents;
 - (iii) the Class GBP-C Notes rank *pari passu* without preference or priority among themselves but junior to the Class GBP-A Notes and the Class GBP-B Notes (except in respect of a Note LIBOR Excess Amount) and senior to the Class GBP-D Notes, the Class GBP-E Notes and the Class GBP-F Notes as provided in the Conditions and the Issuer Transaction Documents;
 - (iv) the Class GBP-D Notes rank *pari passu* without preference or priority among themselves but junior to the Class GBP-A Notes, the Class GBP-B Notes and the Class GBP-C Notes (except in respect of a Note LIBOR Excess Amount), and senior to the Class GBP-E Notes and the Class GBP-F Notes as provided in the Conditions and the Issuer Transaction Documents;
 - (v) the Class GBP-E Notes rank *pari passu* without preference or priority among themselves but junior to the Class GBP-A Notes, the Class GBP-B Notes, the Class GBP-C Notes and the Class GBP-D Notes (except in respect of a Note LIBOR Excess Amount) and senior to the Class GBP-F Notes as provided in the Conditions and the Issuer Transaction Documents; and
 - (vi) the Class GBP-F Notes rank *pari passu* without preference or priority among themselves but junior to the Class GBP-A Notes, the Class GBP-B Notes, the Class GBP-C Notes, the Class GBP-D Notes and the Class GBP-E Notes (except in respect of a Note LIBOR Excess Amount) as provided in the Conditions and the Issuer Transaction Documents,
- (B) in respect of the EUR Notes:
- (i) the Class EUR-A Notes rank *pari passu* without preference or priority among themselves and senior to all other Classes of EUR Notes (except in respect of a Note EURIBOR Excess Amount) as provided in the Conditions and the Issuer Transaction Documents;

- (ii) the Class EUR-B Notes rank *pari passu* without preference or priority among themselves but junior to the Class EUR-A Notes (except in respect of a Note EURIBOR Excess Amount) and senior to the Class EUR-C Notes, the Class EUR-D Notes and the Class EUR-E Notes as provided in the Conditions and the Issuer Transaction Documents;
 - (iii) the Class EUR-C Notes rank *pari passu* without preference or priority among themselves but junior to the Class EUR-A Notes and the Class EUR-B Notes (except in respect of a Note EURIBOR Excess Amount) and senior to the Class EUR-D Notes and the Class EUR-E Notes as provided in the Conditions and the Issuer Transaction Documents;
 - (iv) the Class EUR-D Notes rank *pari passu* without preference or priority among themselves but junior to the Class EUR-A Notes, the Class EUR-B Notes and the Class EUR-C Notes (except in respect of Note LIBOR Excess Amount) and senior to the Class EUR-E Notes as provided in the Conditions and the Issuer Transaction Documents; and
 - (v) the Class EUR-E Notes rank *pari passu* without preference or priority among themselves but junior to the Class EUR-A Notes, the Class EUR-B Notes, the Class EUR-C Notes and the Class EUR-D Notes (except in respect of a Note EURIBOR Excess Amount) as provided in the Conditions and the Issuer Transaction Documents.
- (b) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class GBP-A Noteholders, the Class GBP-B Noteholders, the Class GBP-C Noteholders, the Class GBP-D Noteholders, the Class GBP-E Noteholders and the Class GBP-F Noteholders, equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee in any such case to have regard only to:
- (i) the interests of the Class GBP-A Noteholders (for so long as there are any Class GBP-A Notes outstanding) if, in the Note Trustee's opinion, there is a conflict between the interests of:
 - (A) the Class GBP-A Noteholders; and
 - (B) the Class GBP-B Noteholders and/or the Class GBP-C Noteholders and/or the Class GBP-D Noteholders and/or the Class GBP-E Noteholders and/or Class GBP-F Noteholders; or
 - (ii) subject to paragraph (i) above, the interests of the Class GBP-B Noteholders (for so long as there are any Class GBP-B Notes outstanding) if, in the Note Trustee's opinion, there is a conflict between the interests of:
 - (A) the Class GBP-B Noteholders; and
 - (B) the Class GBP-C Noteholders and/or the Class GBP-D Noteholders and/or the Class GBP-E Noteholders and/or the Class GBP-F Noteholders; or
 - (iii) subject to paragraphs (i) and (ii) above, the interests of the Class GBP-C Noteholders (for so long as there are any Class GBP-C Notes outstanding) if, in the Note Trustee's opinion, there is a conflict between the interests of:

- (A) the Class GBP-C Noteholders; and
 - (B) the Class GBP-D Noteholders and/or the Class GBP-E Noteholders and/or the Class GBP-F Noteholders; or
- (iv) subject to paragraphs (i), (ii) and (iii) above, the interests of the Class GBP-D Noteholders (for so long as there are any Class GBP-D Notes outstanding) if, in the Note Trustee's opinion, there is a conflict between the interests of:
- (A) the Class GBP-D Noteholders; and
 - (B) the Class GBP-E Noteholders and/or the Class GBP-F Noteholders; or
- (v) subject to paragraphs (i), (ii) and (iii) above, the interests of the Class GBP-E Noteholders (for so long as there are any Class GBP-E Notes outstanding) if, in the Note Trustee's opinion, there is a conflict between the interests of:
- (A) the Class GBP-E Noteholders; and
 - (B) the Class GBP-F Noteholders.
- (c) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class EUR-A Noteholders, the Class EUR-B Noteholders, the Class EUR-C Noteholders, the Class EUR-D Noteholders and the Class EUR-E Noteholders, equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee in any such case to have regard only to:
- (i) the interests of the Class EUR-A Noteholders (for so long as there are any Class EUR-A Notes outstanding) if, in the Note Trustee's opinion, there is a conflict between the interests of:
 - (A) the Class EUR-A Noteholders; and
 - (B) the Class EUR-B Noteholders and/or the Class EUR-C Noteholders and/or the Class EUR-D Noteholders and/or the Class EUR-E Noteholders; or
 - (ii) subject to paragraph (i) above, the interests of the Class EUR-B Noteholders (for so long as there are any Class EUR-B Notes outstanding) if, in the Note Trustee's opinion, there is a conflict between the interests of:
 - (A) the Class EUR-B Noteholders; and
 - (B) the Class EUR-C Noteholders and/or the Class EUR-D Noteholders and/or the Class EUR-E Noteholders.
 - (iii) subject to paragraphs (i) and (ii) above, the interests of the Class EUR-C Noteholders (for so long as there are any Class EUR-C Notes outstanding) if, in the Note Trustee's opinion, there is a conflict between the interests of:
 - (A) the Class EUR-C Noteholders; and
 - (B) the Class EUR-D Noteholders and/or the Class EUR-E Noteholders.

- (iv) (iv) subject to paragraphs (i), (ii) and (iii) above, the interests of the Class EUR-D Noteholders (for so long as there are any Class EUR-D Notes outstanding) if, in the Note Trustee's opinion, there is a conflict between the interests of:
 - (A) the Class EUR-D Noteholders; and
 - (B) the Class EUR-E Noteholders.
- (d) The Trust Deed contains provisions limiting the powers of: (i) the Class GBP-B Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the Class GBP-A Noteholders; and (ii) the Class GBP-C Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the Class GBP-A Noteholders or the Class GBP-B Noteholders; (iii) the Class GBP-D Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the Class GBP-A Noteholders, the Class GBP-B Noteholders or the Class GBP-C Noteholders; (iv) the Class GBP-E Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the Class GBP-A Noteholders, the Class GBP-B Noteholders, the Class GBP-C Noteholders or the Class GBP-D Noteholders; or (v) the Class GBP-F Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the Class GBP-A Noteholders, the Class GBP-B Noteholders, the Class GBP-C Noteholders, the Class GBP-D Noteholders or the Class GBP-E Noteholders.
- (e) The Trust Deed contains provisions limiting the powers of: (i) the Class EUR-B Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the Class EUR-A Noteholders; and (ii) the Class EUR-C Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the Class EUR-A Noteholders or the Class EUR-B Noteholders; (iii) the Class EUR-D Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the Class EUR-A Noteholders, the Class EUR-B Noteholders or the Class EUR-C Noteholders; or (iv) the Class EUR-E Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the Class EUR-A Noteholders, the Class EUR-B Noteholders, the Class EUR-C Noteholders or the Class EUR-D Noteholders.
- (f) The Trust Deed contains provisions limiting the powers of: (i) any Class of EUR Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution according to the effect thereof on the interests of the Class GBP Noteholders; and (ii) any Class of GBP Noteholders among other things, to request or direct the Note Trustee to take any action or to pass any Extraordinary Resolution or Ordinary Resolution according to the effect thereof on the interests of the EUR Noteholders.

- (g) Nothing in the Trust Deed or the Notes shall be construed as giving rise to any relationship of agency or partnership between the Noteholders and any other person and each Noteholder shall be acting entirely for its own account in exercising its rights under the Trust Deed or the Notes.

3.2 Security

- (a) As security for its obligations under, *inter alia*, the Notes, the Issuer has granted the following security (the **Issuer Security**) in favour of the Issuer Security Trustee on trust for itself and the Issuer Secured Creditors pursuant to the Issuer Deed of Charge. The Issuer Security includes the following:
 - (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 Transaction 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 ranking floating charge of its assets not otherwise mortgaged, charged or assigned under the Issuer Deed of Charge with respect to the Issuer Security.

Issuer Secured Creditors means the Issuer Security Trustee (and any receiver or other Appointee appointed by it), the Noteholders and the Class X Certificateholders, the Liquidity Facility Provider (in respect of amounts due under the Liquidity Facility Agreements) and each of the Servicer, the Special Servicer, the Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, any Paying Agent, the Note Trustee (and any Appointee appointed by it), the Corporate Services Provider, the Registrar any other person acceding as a beneficiary to the Issuer Deed of Charge as beneficiary from time to time.

- (b) The Noteholders 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 Cash Manager among the persons entitled thereto prior to the service of a Note Acceleration Notice and provisions regulating such application by the Issuer Security Trustee after the service of a Note 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 Notes, 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 Noteholders and any amounts required under the Issuer Deed of Charge to be paid *pari passu* with, or in priority to, the Notes; or
- (ii) the Issuer Security Trustee is of the opinion, which shall be binding on the Noteholders and the Issuer Secured Creditors, reached after considering at any time and from time to time the advice of such professional advisors 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 absolutely and without enquiry or liability, that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to (A) the Noteholders and any amounts required under the Issuer Deed of Charge to be paid *pari passu* with, or in priority to, the Notes; and (B) once all the Noteholders (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-Enforcement Priorities 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, among others, the following circumstances:
 - (i) all amounts which the Cash Manager, on behalf of the Issuer and the Issuer Security Trustee (if applicable), is permitted to withdraw from the relevant 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 a Securitised Loan and any Senior 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 Trust Deed and the Issuer Deed of Charge, respectively. In particular, save with the prior written consent of the Note Trustee or the Issuer Security Trustee, as applicable, or unless otherwise permitted under these Conditions or the Issuer Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:
 - (i) **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 undertaking;

- (ii) **Restrictions on activities:** (A) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Issuer Transaction 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;
- (iii) **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;
- (iv) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders or issue any further shares;
- (v) **Indebtedness:** incur any financial indebtedness or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (vi) **Merger:** consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (vii) **No modification or waiver:** permit any of the 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 or agree to any modification of, or grant any 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 to be released from its obligations 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);
- (viii) **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;
- (ix) **Assets:** own assets other than those representing its share capital, the proceeds of the GBP Issuer Profit Element or the EUR Issuer Profit Element, as applicable, and any interest thereon, any tax refund, the funds arising from the issue of the Notes, the property, rights and assets secured by the Issuer Security and associated and ancillary rights and interests thereto, the benefit of the Issuer Transaction Documents and any investments and other rights or interests created or acquired thereunder, as all of the same may vary from time to time;
- (x) **Equitable Interest:** permit any person other than the Issuer and the Issuer Security Trustee to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein except as otherwise provided for in the Issuer Transaction Documents;
- (xi) **Shares:** subscribe or acquire shares or possess voting power in or in relation to any company and will not hold or be entitled to acquire a right to receive or participate in distributions (of assets or otherwise) of any company;

- (xii) **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; and
 - (xiii) **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.
- (b) In giving any consent to the foregoing, the Note Trustee or the Issuer Security Trustee (as applicable) may require the Issuer to make such modifications or additions to the provisions of any of the Issuer Transaction Documents or may impose such other conditions or requirements as the Note Trustee or the Issuer Security Trustee (as applicable) may deem expedient (in its absolute discretion) in the interests of the Noteholders or the Issuer Secured Creditors (as applicable) but subject to the terms of the Issuer Transaction Documents.
- 4.2 Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of the Issuer Transaction Documents, the Issuer shall, so long as any Note 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 Trust Deed, the Agency Agreement, the Issuer Deed of Charge, the Master Definitions Schedule, the Servicing Agreement, the Cash Management Agreement, the Cash Management Agreement, the Corporate Services Agreement, the Loan Sale Agreement and the memorandum and articles of association of the Issuer, which will be available for collection during normal business hours at the specified office for the time being of the Issuer or the Paying Agents.

4.4 Cash Manager and Servicer

So long as any of the Notes remains 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 in respect of the Issuer Assets. Neither the Cash Manager nor the Servicer will be permitted to terminate its appointment unless a replacement cash manager or servicer, as the case may be, has been appointed in accordance with the terms of the Cash Management Agreement and the Servicing Agreement, respectively.

4.5 Dealings with the Rating Agencies

The Issuer shall not engage in any communication (whether written, oral, electronic or otherwise) with any of the Rating Agencies unless it:

- (a) has given at least two Business Days' notice of the same to the Note Trustee, the Issuer Security Trustee, the Cash Manager, the Servicer and the Special Servicer;
- (b) permits such parties (or any of them) to participate in such communications; and
- (c) summarises any information provided to the Rating Agencies in such communication in writing to the Note Trustee, the Issuer Security Trustee, the Cash Manager, the Servicer and the Special Servicer.

5. INTEREST

5.1 Period of accrual

- (a) Each Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date.
- (b) Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from its due date for redemption unless 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 Note, interest will continue to accrue thereon (before as well as after any judgment) at the rate applicable to such 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 Noteholder (either in accordance with Condition 16 (Notice to Noteholders)) 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 Note Interest Period (as defined below)), such interest shall be calculated on the basis of actual days elapsed and a (i) 365 day year (with respect to any GBP Note) and (ii) a 360 day year (with respect to any EUR Note).

5.2 Note Payment Dates and Note Interest Periods

- (a) Interest on the Notes is, subject as provided below in relation to the first Note Payment Date, payable quarterly in arrear on the twenty second day of February, May, August and November in each year (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, a **Note Payment Date**) in respect of the Note Interest Period ending immediately prior thereto. The first Note Payment Date in respect of each Class of Notes is the Note Payment Date falling in August 2015 in respect of the period from (and including) the Closing Date to (but excluding) that Note Payment Date.

- (b) In these Conditions, **Note Interest Period** shall mean the period from (and including) a Note Payment Date to (but excluding) the next following Note Payment Date *provided that* the first Note Interest Period shall be the period from (and including) the Closing Date to (but excluding) the Note Payment Date falling in August 2015. If a Note Interest Period would otherwise end on a day which is not a Business Day, that Note 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 Deferral of Interest

To the extent that, on any Note Payment Date other than the Final Note Maturity Date, there are insufficient GBP Available Funds to pay the full amount of interest due on any Class of GBP Notes (other than GBP Non-Excess Interest on the Most Senior Class of GBP Notes then outstanding), the amount of the shortfall in interest (including any interest which comprises Note LIBOR Excess Amounts) (the **GBP Deferred Interest**) will not fall due on that Note Payment Date. Instead, the Issuer will, in respect of each affected Class of GBP Notes, create a provision in its accounts for the related GBP Deferred Interest on the relevant Note Payment Date. Such GBP Deferred Interest will not accrue interest and such amounts will (subject to the Class GBP-E Available Funds Cap and the Class GBP-F Available Funds Cap, as applicable) be payable on the earlier of (i) any succeeding Note Payment Date when any such GBP Deferred Interest shall be paid, but only if and to the extent that, on such Note Payment Date, there are sufficient GBP Available Funds, after deducting amounts ranking in priority to the relevant Class of GBP Notes in accordance with the GBP Pre-Enforcement Priority of Payments, and (ii) the date on which the relevant GBP Notes are due to be redeemed in full, subject to the Conditions.

To the extent that, on any Note Payment Date other than the Final Note Maturity Date, there are insufficient EUR Available Funds to pay the full amount of interest due on any Class of EUR Notes (other than EUR Non-Excess Interest on the Most Senior Class of EUR Notes then outstanding), the amount of the shortfall in interest (including any interest which comprises Note EURIBOR Excess Amounts) (the **EUR Deferred Interest**) will not fall due on that Note Payment Date. Instead, the Issuer will, in respect of each affected Class of EUR Notes, create a provision in its accounts for the related EUR Deferred Interest on the relevant Note Payment Date. Such EUR Deferred Interest will not accrue interest and such amounts will (subject to the Class EUR-D Available Funds Cap and the Class EUR-E Available Funds Cap, as applicable) be payable on the earlier of (i) any succeeding Note Payment Date when any such EUR Deferred Interest shall be paid, but only if and to the extent that on such Note Payment Date there are sufficient EUR Available Funds, after deducting amounts ranking in priority to the relevant Class of EUR Notes in accordance with the EUR Pre-Enforcement Priority of Payments, and (ii) the date on which the relevant EUR Notes are due to be redeemed in full, subject to the Conditions.

5.4 Rate of Interest

- (a) The rate of interest payable from time to time in respect of each Class of Notes (each, a **Rate of Interest** and together, the **Rates of Interest**) will be determined by the Agent Bank on the basis of the following provisions.
- (b) The Rate of Interest applicable to Notes of each Class of GBP Notes for any Note Interest Period will be equal to (a) three-month LIBOR (or, in the case of the first Note Interest Period, the linear interpolation of one-month and three-month sterling LIBOR deposits) plus (b) the Relevant Margin. For each Note Interest Period commencing on or after the Final Senior Loan Repayment Date, the LIBOR component of the Rate of Interest payable on the Class GBP-E Notes and the Class GBP-F Notes will be subject to the Class GBP-E Available Funds Cap and the Class GBP-F Available Funds Cap, respectively.

- (c) The Rate of Interest applicable to Notes of each Class of EUR Notes for any Note Interest Period will be equal to (a) three-month EURIBOR (or, in the case of the first Note Interest Period, the linear interpolation of one-month and three-month EURIBOR deposits) plus (b) the Relevant Margin. For each Note Interest Period commencing on or after the Final Senior Loan Repayment Date, the EURIBOR component of the Rate of Interest payable on the Class EUR-D Notes and the Class EUR-E Notes will be subject to the Class EUR-D Available Funds Cap and the Class EUR-E Available Funds Cap, respectively.
- (d) For the purposes of these Conditions, **Relevant Margin** means, with respect to each Class of Notes:
- (i) Class GBP-A Notes: 1.30 per cent.
 - (ii) Class GBP-B Notes: 1.60 per cent.
 - (iii) Class GBP-C Notes: 1.90 per cent.
 - (iv) Class GBP-D Notes: 2.75 per cent.
 - (v) Class GBP-E Notes: 3.50 per cent.
 - (vi) Class GBP-F Notes: 4.50 per cent.
 - (vii) Class EUR-A Notes: 1.20 per cent.
 - (viii) Class EUR-B Notes: 1.60 per cent.
 - (ix) Class EUR-C Notes: 2.00 per cent.
 - (x) Class EUR-D Notes: 2.90 per cent.
 - (xi) Class EUR-E Notes: 3.90 per cent.
- (e) The Agent Bank will at, or as soon as practicable after, 11.00am (London time with respect to any GBP Note and Brussels time with respect to any EUR Note) on the Quotation Day relating to each Note Interest Period for which the rate will apply or, in the case of the first Note Interest Period, on the Closing Date, determine the Rate of Interest applicable to, and calculate the amount of interest payable on each of the Notes, for the Note Interest Period within which such Quotation Day falls. On each Quotation Day for each Note Interest Period (subject to Condition 5.4(f)), the Senior Facility Agent, the Servicer or the Special Servicer, as applicable, will notify the Agent Bank of the LIBOR component and of the EURIBOR component of the Rate of Interest.
- (f) For the purposes of determining the Rate of Interest in respect of the Notes, **LIBOR** and **EURIBOR** will be determined by the Agent Bank on the basis of the following provisions:
- (i) on each Quotation Day, the Agent Bank will determine at, or as soon as practicable after, 11.00 a.m. (London time) with respect to any GBP Note, on such date the interest rate for three-month LIBOR which appears on the Relevant Screen Page and 11.00 a.m. (Brussels time) with respect to any EUR Note, on such date the interest rate for three-month EURIBOR which appears on the Relevant Screen Page (or, in respect of the first such Note Interest Period, the arithmetic mean of a linear interpolation of the rates for one-month and three-month sterling LIBOR deposits or EURIBOR deposits, as applicable) (or (i) such other page as may replace the Relevant Screen

Page 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, if more than one, that one which is approved by the Issuer), provided that if such rate is less than zero, LIBOR or EURIBOR (as applicable) shall be deemed to be zero; or

- (ii) if the Relevant Screen Page is not then available, the rate which results from interpolating on a linear basis between: (a) the applicable Relevant Screen Rate for the longest period (for which that Relevant Screen Rate is available) which is less than the Note Interest Period; and (b) the applicable Relevant Screen Rate for the shortest period (for which that Relevant Screen Rate is available which exceeds that Note Interest Period), at or about 11.00am (with respect to LIBOR, London time, and with respect to EURIBOR, Brussels time) on that date;
- (iii) if the Relevant Screen Page is not then available and it is not possible to calculate an interpolated Relevant Screen Rate pursuant to (ii) above, 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 by the Issuer for such purpose as the rate at which three-month deposits in sterling are offered for the same period as that Note 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 Note Interest Period, the arithmetic mean of a linear interpolation of the rates for one-month and three-month sterling LIBOR deposits or EURIBOR deposits, as applicable, notified by the Reference Banks). If, on any such Quotation Day, 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 Quotation Day, 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 Note 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 Note 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 Issuer, at approximately 11.00am (London time) on the Closing Date or the relevant Quotation Day, as the case may be, for loans in sterling or euro (as relevant) to leading Eurozone banks for a period of three months or, in the case of the first Note Interest Period, the same as the relevant Note Interest Period. If the Rate of Interest cannot be determined in accordance with the above provisions, the Rate of Interest shall be determined as at the last preceding Quotation Day; or
- (iv) If LIBOR determined in accordance with the above provisions is below zero, LIBOR will be deemed to be zero and if EURIBOR determined in accordance with the above provisions is below zero, EURIBOR will be deemed to be zero.

For the purposes of this Condition 5.4 (Rate of Interest):

Reference Bank means the principal office in London of Barclays Bank PLC, HSBC Banking Corporation plc and Lloyds Bank plc or such other banks as may be appointed by the Issuer pursuant to this Condition 5.4.

Relevant Screen Page means the Reuters screen page LIBOR01 with respect to any LIBOR determination and the Reuters screen page EURIBOR01 with respect to any EURIBOR determination or on the appropriate page of such other information services which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent Bank may specify another page or service displaying the relevant rate after consultation with the Issuer.

Relevant Screen Rate means the applicable rate available on the Relevant Screen Page.

5.5 Determination of Rates of Interest and calculation of Interest Amounts for Notes

- (a) The Agent Bank shall at, or as soon as practicable after, each Quotation Day, but in no event later than the third day of the relevant Note Interest Period, notify the Issuer, the Note Trustee, the Cash Manager, the Paying Agents and each of the Clearing Systems in writing of (i) the Rates of Interest applicable for the Note Interest Period within which such Quotation Day falls, in respect of the Notes of each Class and (ii) the amount of interest (the **Interest Amount**) payable, subject to Condition 5.2 (Note Payment Dates and Note Interest Periods) and Condition 5.4 (Rate of Interest), in respect of such Note Interest Period in respect of the Notes of each Class.
- (b) Each Interest Amount in respect of the Notes of each Class shall be calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes and multiplying such sum by the actual number of days in the relevant Note Interest Period divided by 365 (with respect to any GBP Note) or by 360 (with respect to any EUR Note), and rounding the resultant figure downward to the nearest penny (with respect to any GBP Note) or cent (with respect to any EUR Note) as applicable.

5.6 Publication of Interest Amounts and other Notices

- (a) As soon as practicable after receiving notification thereof, the Issuer will cause the Rate of Interest and the Interest Amount applicable to the Notes of each Class for each Note Interest Period and the Note 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 Notes are listed on the Irish Stock Exchange) and will cause notice thereof to be given to the relevant Class of Noteholders in accordance with Condition 16 (Notice to Noteholders).
- (b) The Interest Amounts, Note 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 Note Interest Period for the Notes.

5.7 Available Funds Caps

- (a) If on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class GBP-E Notes on that date is in excess of the Class GBP-E Adjusted Interest Payment

Amount, and such excess is attributable to a reduction in the interest-bearing balance of the Securitised GBP Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class GBP-E Notes will be subject to a cap (the **Class GBP-E Available Funds Cap**) at the Class GBP-E Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class GBP-E Notes that would otherwise be due on such Note Payment Date.

(b) For the purposes of this Condition 5.7, **Class GBP-E Adjusted Interest Payment Amount** means, on any Note Payment Date, an amount equal to the amount by which:

- (i) the GBP Revenue Receipts available for distribution under the GBP Pre-Enforcement Priority of Payments; exceed
- (ii) the sum of all amounts payable out of GBP Revenue Receipts under the GBP Pre-Enforcement Priority of Payments on that date, in priority to payments of interest on the Class GBP-E Notes,

and will in any event not be less than zero.

(c) If on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class GBP-F Notes on that date is in excess of the Class GBP-F Adjusted Interest Payment Amount, and such excess is attributable to a reduction in the interest-bearing balance of the Securitised GBP Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class GBP-F Notes will be subject to a cap (the **Class GBP-F Available Funds Cap**) at the Class GBP-F Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class GBP-F Notes that would otherwise be due on such Note Payment Date.

(d) For the purposes of this Condition 5.7, **Class GBP-F Adjusted Interest Payment Amount** means, on any Note Payment Date, an amount equal to the amount by which:

- (i) the GBP Revenue Receipts available for distribution under the GBP Pre-Enforcement Priority of Payments; exceed
- (ii) the sum of all amounts payable out of GBP Revenue Receipts under the GBP Pre-Enforcement Priority of Payments on that date, in priority to payments of interest on the Class GBP-F Notes,

and will in any event not be less than zero.

(e) If, on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class EUR-D Notes on that date is in excess of the Class EUR-D Adjusted Interest Payment Amount, and such excess is attributable to a reduction in the interest-bearing balance of the Securitised EUR Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class EUR-E Notes will be subject to a cap (the **Class EUR-D Available Funds Cap**) at the Class EUR-D Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class EUR-D Notes that would otherwise be due on such Note Payment Date.

- (f) For these purposes, **Class EUR-D Adjusted Interest Payment Amount** means, on any Note Payment Date, an amount equal to the amount by which:
- (i) the EUR Revenue Receipts available for distribution under the EUR Pre-Enforcement Priority of Payments; exceed
 - (ii) the sum of all amounts payable out of EUR Revenue Receipts under the EUR Pre-Enforcement Priority of Payments on that date, in priority to payments of interest on the Class EUR-D Notes,
- and will in any event not be less than zero.
- (g) If, on any Note Payment Date prior to the service of a Note Acceleration Notice, the aggregate amount of interest that would otherwise be due and payable on the Class EUR-E Notes on that date is in excess of the Class EUR-E Adjusted Interest Payment Amount, and such excess is attributable to a reduction in the interest-bearing balance of the Securitised EUR Loan as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class EUR-E Notes will be subject to a cap (the **Class EUR-E Available Funds Cap**) at the Class EUR-E Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest on the Class EUR-E Notes that would otherwise be due on such Note Payment Date.
- (h) For these purposes, **Class EUR-E Adjusted Interest Payment Amount** means, on any Note Payment Date, an amount equal to the amount by which:
- (i) the EUR Revenue Receipts available for distribution under the EUR Pre-Enforcement Priority of Payments; exceed
 - (ii) the sum of all amounts payable out of EUR Revenue Receipts under the EUR Pre-Enforcement Priority of Payments on that date, in priority to payments of interest on the Class EUR-E Notes,
- and will in any event not be less than zero.

5.8 Determination and/or calculation by the Note Trustee

If the Agent Bank does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Amount for any Class of 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 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 (b) calculate the Interest Amount for each Class of the Notes in the manner specified in Condition 5.5 (Determination of Rates of Interest and calculation of Interest Amounts for 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.

5.9 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 manifest error) be binding on the Issuer, the Reference Banks, the Agent Bank, the Note Trustee, the Servicer, the Special Servicer, the Cash Manager, the Paying Agents and all

Noteholders and (in the absence of wilful default, negligence or fraud) no liability to the 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.

5.10 Reference Banks and Agent Bank

- (a) The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall, at all times, be three Reference Banks and an Agent Bank and the Issuer may terminate the appointment of the relevant Reference Bank or subject to the prior written approval of the Note Trustee, the Agent Bank.
- (b) In the event of the principal London office of any such Reference Bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank to act as such in its place.
- (c) In the event of the principal London office of any such 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 Note 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.
- (d) Any purported resignation or removal by the Agent Bank shall not take effect until a successor so approved by the Note Trustee has been appointed.

6. PAYMENTS

6.1 Global Notes

- (a) Payment of principal, interest and other amounts will be made by transfer to the registered account of the Noteholder. Subject to Condition 2 (Definitive Notes), interest, principal or other amounts on Notes due on a Note Payment 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 Notes, 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 Noteholder's registered account means the sterling account or euro account, as applicable, maintained by or on behalf of it with a bank that processes payments in sterling, details of which appear on the register of Noteholders at the close of business, in the case of principal and interest due otherwise than on a Note Payment Date, on the second Business Day (as defined below) before the due date for payment and, in the case of interest due on a Note Payment Date, on the relevant Record Date, and a Noteholder's registered address means its address appearing on the register of 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 Note would be reduced to zero (including as a result of any other payment of principal due in respect of such Note), in which case the relevant payment of principal or interest, as the case may be, will be made against surrender of such Note) in respect of Definitive Notes, will be made on the relevant Note Payment 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 (in respect of the GBP Notes) or to an account in euro (in respect of the EUR Notes) maintained by the payee with a bank in London.

6.4 Payments subject to applicable Laws

Payments of any amount in respect of a Note including principal and interest in respect of the 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 **U.S. Tax Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Tax Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

6.5 Overdue Principal Payments

If repayment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note or part thereof in accordance with Condition 5.1 (Period of accrual) will be paid against presentation of such Note at the specified office of any Paying Agent, and in the case of any Definitive Note, will be paid in accordance with Condition 6.2 (Definitive Notes).

6.6 Payment on Business Days

- (a) Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day (as defined below), for value the first following day which is a Business Day) will be initiated on each Note Payment Date or, in the case of a payment of principal or a payment of interest due otherwise than on a Note Payment Date, if later, on the Business Day on which the relevant Global Note is surrendered at the specified office of an Agent.
- (b) Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Noteholder is late in surrendering its Global Note (if required to do so).

6.7 Presentation on non-Business Days

If the date for payment of any amount in respect of 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 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, Amsterdam, and which is a TARGET Day.

6.8 Accrual of Interest on late payments

If any payment of interest, principal or any other amount in respect of any Class of Notes is not made when due and payable (other than because the due date is not a Business Day (as defined in Condition 6.7 (Presentation on non-Business Days)) or by reason of non-compliance with Condition 6.1 (Global Notes) or Condition 2 (Definitive Notes)), then such unpaid amount shall itself bear interest at the applicable 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 Noteholders in accordance with Condition 16 (Notice to Noteholders), provided that such unpaid amount and interest thereon are, in fact, paid.

6.9 Incorrect payments

- (a) The Cash Manager will (on behalf of the Issuer), from time to time, notify Noteholders in accordance with the terms of Condition 16 (Notice to Noteholders) of any over-payment or under-payment of which it has actual notice made on any Note Payment Date to any party entitled to the same pursuant to the Pre-Enforcement Priorities of Payments.
- (b) Following the giving of such a notice, the 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 Note Payment Date. Any notice of over-payment or under-payment pursuant to this Condition 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 Cash Manager shall have any liability to any person for making any such correction.

6.10 Initial Paying Agents, Agent Bank and Registrar

- (a) The names of the initial Paying Agent and its initial specified office is set out at the Agency Agreement. The Principal Paying Agent is Elavon Financial Services Limited, UK 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;
 - (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; and
 - (iii) 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.
- (b) 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 Noteholders in accordance with Condition 16 (Notice to Noteholders).

7. REDEMPTION

7.1 Final redemption of the Notes

- (a) Unless previously redeemed in full and cancelled as provided in this Condition 7, the Issuer will redeem the Notes at their respective Principal Amounts Outstanding together with the accrued interest and any other accrued but unpaid amounts on the Final Note Maturity Date.
- (b) The Issuer may not redeem the Notes in whole or in part prior to the Final Note Maturity Date except as provided in this Condition but without prejudice to Condition 10 (Note Events of Default).

7.2 Mandatory Redemption from Principal Receipts

- (a) Prior to the service of a Note Acceleration Notice, on each Note Payment Date in accordance with the GBP Pre-Enforcement Priority of Payments, unless previously redeemed in full and cancelled, each Class of GBP Notes is subject to mandatory early redemption in part in an amount not exceeding the GBP Principal Distribution Amount allocated to such Class on such Note Payment Date:

- (i) *GBP Pro Rata Principal Distribution Amount*

The GBP Pro Rata Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a GBP Sequential Payment Trigger will, prior to the allocation of the GBP Reverse-Sequential Principal Distribution Amounts and the GBP Sequential Principal Distribution Amounts, be allocated *pro rata* to the outstanding GBP Notes.

- (ii) *GBP Sequential Principal Distribution Amounts*

The GBP Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a GBP Sequential Payment Trigger will be allocated to the outstanding GBP Notes, after the allocation of the GBP Pro Rata Principal Distribution Amounts and the GBP Reverse-Sequential Principal Distribution Amount, sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

- (iii) *GBP Reverse-Sequential Principal Distribution Amounts*

The GBP Reverse-Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a GBP Sequential Payment Trigger will be allocated to the outstanding GBP Notes: (a) prior to the allocation of the GBP Sequential Principal Distribution Amounts, and (b) after the allocation of the GBP Pro Rata Principal Distribution Amounts, reverse sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

- (iv) *Distributions following the occurrence of a GBP Sequential Payment Trigger*

On each Note Payment Date following the occurrence of a GBP Sequential Payment Trigger, the whole of the aggregate GBP Principal Distribution Amount as determined on the immediately preceding Determination Date will be allocated sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.

For the purposes of this Condition 7.2(a):

GBP Principal Distribution Amount means, for any Note Payment Date, the sum, without duplication, of all principal receipts in respect of the Securitised GBP Loan actually received by or on behalf of the Issuer during the Collection Period related to such Note Payment Date and will comprise, for the avoidance of doubt, the GBP Pro Rata Principal Distribution Amount, the GBP Sequential Principal Distribution Amount and the GBP Reverse-Sequential Principal Distribution Amount.

The **GBP Pro Rata Principal Distribution Amount**, as determined on any Determination Date, means: (i) if a GBP Sequential Payment Trigger will exist on the next following Note Payment Date, zero; or (ii) if no GBP Sequential Payment Trigger will exist on such Note Payment Date, an amount equal to the GBP Distribution Amount.

GBP Distribution Amount, as determined on any Determination Date, means the amount of principal receipts collected on the Securitised GBP Loan that are received by the Issuer in connection with any Permitted Property Disposal Prepayment Proceeds (which includes, for the avoidance of doubt, the Senior Allocated Loan Amount and any Senior ALA Excess), and any Expropriation Proceeds and/or any Insurance Proceeds, but only in circumstances where such Expropriation Proceeds or, as applicable, Insurance Proceeds are in respect of a Property or Properties and equal or exceed the Senior Allocated Loan Amount of such Property or Properties.

GBP Reverse-Sequential Principal Distribution Amount, as determined on any Determination Date, means: (i) if a GBP Sequential Payment Trigger will exist on the next Note Payment Date, zero; or (ii) if no GBP Sequential Payment Trigger will exist on the next Note Payment Date, an amount equal to the principal receipts collected on the Securitised GBP Loan that are voluntary prepayments (including, for avoidance of doubt, any voluntary prepayment resulting from a voluntary prepayment of the Senior GBP Loan under Clause 7.7(h) of the Senior Facility Agreement) and are not GBP Distribution Amounts, GBP Amortisation Funds or GBP Recovery Proceeds.

GBP Amortisation Funds means the amount of any principal receipts collected on the Securitised GBP Loan representing any GBP Recovery Proceeds, Insurance Proceeds (to the extent such Insurance Proceeds are not GBP Distribution Amounts), Recovery Proceeds (to the extent such Recovery Proceeds are not GBP Distribution Amounts), Excluded Insurance Proceeds (to the extent applied to repay the Senior GBP Loans), Excluded Recovery Proceeds (to the extent applied to repay the Senior GBP Loans), Equity Cure Amount, Sweep Cash Trap Amount, Surplus GBP PRPD Amounts, any prepayment required to be made as a result of any change of control and any repayment of principal made on the Final Senior Loan Repayment Date, in each case in respect of the Senior GBP Loans.

GBP Sequential Principal Distribution Amount, as determined on any Determination Date, means the (i) if a GBP Sequential Payment Trigger will exist on such Note Payment Date, the GBP Principal Distribution Amount, and (ii) if no GBP Sequential Payment Trigger will exist on such Note Payment Date, the GBP Principal Distribution Amount less the GBP Pro Rata Principal Distribution Amount (other than Surplus GBP PRPD Amounts) and the GBP Reverse-Sequential Principal Distribution Amounts (and will include, for the avoidance of doubt, any GBP Amortisation Funds).

- (v) If the amount of the GBP Pro Rata Principal Distribution Amount which would otherwise be allocated to any Class of GBP Notes exceeds the Principal Amount Outstanding of that Class of GBP Notes at the relevant time or if there are surplus GBP Pro Rata Principal Distribution Amounts which remain unallocated as a result of a Class of GBP Notes having been redeemed in full prior to such Determination Date, the amount of such surplus (the **Surplus GBP PRPD Amounts**) will be allocated sequentially to the GBP Notes, *pro rata* in respect of each Class thereof.
- (vi) A **GBP Sequential Payment Trigger** means the first to occur of:
 - (i) a Note Payment Date with respect to the GBP Notes after the Expected Note Maturity Date;
 - (ii) a Special Servicing Transfer Event with respect to the Securitised GBP Loan; and
 - (iii) the delivery of a Note Acceleration Notice with respect to the GBP Notes.

These are referred to as the **GBP Pre-Enforcement Principal Allocation Rules**.

- (b) Prior to the service of a Note Acceleration Notice, on each Note Payment Date in accordance with the EUR Pre-Enforcement Priority of Payments, unless previously redeemed in full and cancelled, each Class of EUR Notes is subject to mandatory early redemption in part in an amount not exceeding the EUR Principal Distribution Amount allocated to such Class on such Note Payment Date:
 - (i) *EUR Pro Rata Principal Distribution Amount*

The EUR Pro Rata Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a EUR Sequential Payment Trigger will, prior to the allocation of the EUR Reverse-Sequential Principal Distribution Amounts and the EUR Sequential Principal Distribution Amounts, be allocated *pro rata* to the outstanding EUR Notes.
 - (ii) *EUR Sequential Principal Distribution Amounts*

The EUR Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a EUR Sequential Payment Trigger will be allocated to the outstanding EUR Notes, after the allocation of the EUR Pro Rata Principal Distribution Amounts and the EUR Reverse-Sequential Principal Distribution Amount, sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.
 - (iii) *EUR Reverse-Sequential Principal Distribution Amounts*

The EUR Reverse-Sequential Principal Distribution Amount as determined on any Determination Date prior to the occurrence of a EUR Sequential Payment Trigger will be allocated to the outstanding EUR Notes: (a) prior to the allocation of the EUR Sequential Principal Distribution Amounts, and (b) after the allocation of the EUR Pro Rata Principal Distribution Amounts, reverse sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.

(iv) *Distributions following the occurrence of a EUR Sequential Payment Trigger*

On each Note Payment Date following the occurrence of a EUR Sequential Payment Trigger, the whole of the aggregate EUR Principal Distribution Amount as determined on the immediately preceding Determination Date will be allocated sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.

For the purposes of this Condition 7.2(b):

EUR Principal Distribution Amount means, for any Note Payment Date, the sum, without duplication, of all principal receipts in respect of the Securitised EUR Loan actually received by or on behalf of the Issuer during the Collection Period related to such Note Payment Date and will comprise, for the avoidance of doubt, the EUR Pro Rata Principal Distribution Amount, the EUR Sequential Principal Distribution Amount and the EUR Reverse-Sequential Principal Distribution Amount

The **EUR Pro Rata Principal Distribution Amount**, as determined on any Determination Date, means: (i) if a EUR Sequential Payment Trigger will exist on the next following Note Payment Date, zero; or (ii) if no EUR Sequential Payment Trigger will exist on such Note Payment Date, an amount equal to the EUR Distribution Amount

EUR Distribution Amount, as determined on any Determination Date, means the amount of principal receipts collected on the Securitised EUR Loan that are received by the Issuer in connection with any Permitted Property Disposal Prepayment Proceeds (which includes, for the avoidance of doubt, the Senior Allocated Loan Amount and any Senior ALA Excess), and any Expropriation Proceeds and/or any Insurance Proceeds, but only in circumstances where such Expropriation Proceeds or, as applicable, Insurance Proceeds are in respect of a Property or Properties and equal or exceed the Senior Allocated Loan Amount of such Property or Properties.

EUR Reverse-Sequential Principal Distribution Amount, as determined on any Determination Date, means: (i) if a EUR Sequential Payment Trigger will exist on the next Note Payment Date, zero; or (ii) if no EUR Sequential Payment Trigger will exist on the next Note Payment Date, an amount equal to the principal receipts collected on the Securitised EUR Loan that are voluntary prepayments (including, for avoidance of doubt, any voluntary prepayment resulting from a voluntary prepayment of the Senior EUR Loan under Clause 7.7(h) of the Senior Facility Agreement) and are not EUR Distribution Amounts, EUR Amortisation Funds or EUR Recovery Proceeds.

EUR Amortisation Funds means the amount of any principal receipts collected on the Securitised EUR Loan representing any EUR Recovery Proceeds, Insurance Proceeds (to the extent such Insurance Proceeds are not EUR Distribution Amounts), Recovery Proceeds (to the extent such Recovery Proceeds are not EUR Distribution Amounts), Excluded Insurance Proceeds (to the extent applied to repay the Senior EUR Loan), Excluded Recovery Proceeds (to the extent applied to repay the Senior EUR Loan), Equity Cure Amount, Sweep Cash Trap Amount, Surplus EUR PRPD Amounts, any prepayment required to be made as a result of any change of control and any repayment of principal made on the Final Senior Loan Repayment Date, in each case in respect of the Senior EUR Loan.

EUR Sequential Principal Distribution Amount, as determined on any Determination Date, means the (i) if a EUR Sequential Payment Trigger will exist on such Note Payment Date, the EUR Principal Distribution Amount, and (ii) if no EUR Sequential Payment Trigger will exist on such Note Payment Date, the EUR Principal Distribution Amount less the EUR Pro Rata Principal Distribution Amount (other than Surplus EUR PRPD Amounts) and the EUR Reverse-Sequential Principal Distribution Amounts (and will include, for the avoidance of doubt, any EUR Amortisation Funds).

- (v) If the amount of the EUR Pro Rata Principal Distribution Amount which would otherwise be allocated to any Class of EUR Notes exceeds the Principal Amount Outstanding of that Class of EUR Notes at the relevant time or if there are surplus EUR Pro Rata Principal Distribution Amounts which remain unallocated as a result of a Class of EUR Notes having been redeemed in full prior to such Determination Date, the amount of such surplus (the **Surplus EUR PRPD Amounts**) will be allocated sequentially to the EUR Notes, *pro rata* in respect of each Class thereof.
- (vi) A **EUR Sequential Payment Trigger** means the first to occur of:
 - (i) a Note Payment Date with respect to the EUR Notes after the Expected Note Maturity Date;
 - (ii) a Special Servicing Transfer Event with respect to the Securitised EUR Loan; and
 - (iii) the delivery of a Note Acceleration Notice with respect to the EUR Notes.

These are referred to as the **EUR Pre-Enforcement Principal Allocation Rules** and together with the GBP Pre-Enforcement Principal Allocation Rules, the **Pre-Enforcement Principal Allocation Rules**.

7.3 Optional redemption for tax and other reasons

If the Issuer at any time satisfies the Note Trustee (which will be so satisfied if it receives a legal opinion confirming such matters, upon which it may rely conclusively and without enquiry or 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 Note Payment Date the Issuer, or any Paying Agent on its behalf, would be required to deduct or withhold from any payment of principal or interest in respect of any Note (other than where the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of Notes and other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by the Issuer taking reasonable measures available to it; or
- (b) by 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 Senior Facility Agreement or all or any of the Notes; or

- (c) if any amount payable by the Senior Borrowers in respect of the Issuer Assets is reduced or ceases to be receivable (whether or not actually received) by the Issuer during the Note Interest Period preceding the next Note Payment Date,

and, in any such case, the Issuer has, prior to giving the notice referred to below, certified to the Note Trustee (upon which certification it may rely conclusively and without enquiry or liability) that it will have the necessary funds on such Note Payment Date to discharge all of its liabilities in respect of the Notes to be redeemed under this Condition 7.3 and any amount required to be paid in priority to, or *pari passu* with, the Notes to be so redeemed (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 Note Payment Date on which such notice expires, no Note Acceleration Notice has been served, then the Issuer may, but shall not be obliged to, on any Note Payment 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 Note Payment Date to the Note Trustee, the Paying Agents and to the Noteholders in accordance with Condition 16 (Notice to Noteholders), redeem all of the Notes in an amount equal to the then respective aggregate Principal Amounts Outstanding plus interest and other amounts accrued and unpaid thereon.

7.4 Optional redemption in full

Upon giving not more than 60 nor fewer than 30 days' written notice to the Note Trustee, the Paying Agents and the Noteholders, in accordance with Condition 16 (Notice to Noteholders) and provided that:

- (a) on the Note Payment Date on which such notice expires, no Note Acceleration Notice has been served; and
- (b) the Issuer has, prior to giving such notice, certified to the Note Trustee (upon which certification it may rely conclusively and without enquiry or liability) that it will have the necessary funds to discharge on such Note Payment Date all of its liabilities in respect of the Notes to be redeemed under this Condition 7.4 and any amount required to be paid on such Note Payment Date which rank prior to, or *pari passu* with, the Notes (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
- (c) the then aggregate Principal Amount Outstanding of all the Notes is less than 10 per cent. of their aggregate Principal Amount Outstanding as at the Closing Date,

the Issuer may redeem on such Note Payment Date all of the Notes, in an amount equal to their then respective aggregate Principal Amounts Outstanding plus interest and other amounts accrued and unpaid thereon.

7.5 Notice of redemption

Any such notice as is referred to in Conditions 7.3 (Optional redemption for tax and other reasons) or 7.4 (Optional redemption in full) or above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the Notes of the relevant Class in the amounts specified in these Conditions. As soon as reasonably practicable after becoming aware that the same will occur, the Issuer will cause notice of redemption of the Notes of each Class to be given to the Irish Stock Exchange (for so long as the Notes are listed on the Irish Stock Exchange). 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) or Condition 7.4 (Optional redemption in full) may be relied on by the Note Trustee conclusively and without further investigation or liability and shall be conclusive and binding on the Noteholders.

7.6 Cancellation

All 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 and Principal Amount Outstanding

- (a) Any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note and any other amounts accrued and unpaid up to (but excluding) the date of redemption.
- (b) The **Principal Amount Outstanding** of a Note on any date will be its face amount less the aggregate amount of principal repayments or prepayments made in respect of that Note since the Closing Date.

7.8 No purchase by Issuer

The Issuer will not purchase any of the Notes.

8. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**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 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 Noteholders in respect of such withholding or deduction on account of Note Taxes.

9. PRESCRIPTION

- (a) Claims in respect of principal and interest on the 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 Noteholders in accordance with Condition 16 (Notice to Noteholders).

10. NOTE EVENTS OF DEFAULT

10.1 Note Events of Default

- (a) If a Note Event of Default occurs then the Note Trustee may (at its absolute discretion) or shall (if either:

- (i) so requested in writing by the holders of Notes outstanding constituting not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the holders of the Most Senior Class of GBP Notes then outstanding or the Most Senior Class of EUR Notes then outstanding; or
- (ii) so directed by or pursuant to an Extraordinary Resolution of the holders of the Most Senior Class of GBP Notes then outstanding or the Most Senior Class of EUR Notes then outstanding,

(in all cases subject as described in paragraph (b) and to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction)) give notice (a **Note Acceleration Notice**) to the Issuer and the Issuer Security Trustee declaring all the Notes to be immediately due and repayable at their respective Principal Amount Outstanding together with accrued interest (including, where applicable, GBP Deferred Interest or EUR Deferred Interest as the case may be and other accrued and unpaid amounts) as provided in the Trust Deed.

- (b) In the case of a Note Event of Default of the type specified in paragraph (c)(i) below:
 - (i) if the non-payment relates to the Most Senior Class of GBP Notes only, then the Note Trustee shall (subject to its being indemnified and/or secured and/or prefunded as aforesaid) be bound to serve a Note Acceleration Notice only if it receives written request or direction of the type referred to in paragraphs (a)(i) and (ii) above if such request or direction is given by the holders of the Most Senior Class of GBP Notes; and
 - (ii) if the non-payment relates to the Most Senior Class of EUR Notes only, then the Note Trustee shall (subject to its being indemnified and/or secured and/or prefunded as aforesaid) be bound to serve a Note Acceleration Notice only if it receives written request or direction of the type referred to in paragraphs (a)(i) and (ii) above if such request or direction is given by the holders of the Most Senior Class of EUR Notes.
- (c) Each of the following events is a **Note Event of Default**):
 - (i) default is made for a period of three days in the payment of the principal of, or default is made for a period of five days in the payment of interest on, the Most Senior Class of GBP Notes then outstanding or the Most Senior Class of EUR Notes then outstanding, in each case when and as the same becomes due and payable in accordance with these Conditions; or
 - (ii) (A) the Issuer defaults in the performance or observance of any other obligation binding upon it under the Notes of any Class, the Trust Deed, the Issuer Deed of Charge or the other Issuer Transaction Documents to which it is party; or
(B) 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, is 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

- (iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph 10.1(iv), 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 in writing by the Note Trustee or by Extraordinary Resolution of the holders of the Most Senior Class of GBP Notes then outstanding and of the Most Senior Class of EUR Notes then outstanding) 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
- (iv) 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 holders of the Most Senior Class of GBP Notes then outstanding and of the Most Senior Class of EUR Notes then outstanding; or
- (v) proceedings shall be initiated against the Issuer under any applicable liquidation, insolvency, examinership, 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, examiner 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
- (vi) the Issuer (or the shareholders or directors of the Issuer) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, examinership, 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 10.1(c)(ii), the Note Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the holders of the Most Senior Class of GBP Notes then outstanding or the Most Senior Class of EUR Notes then outstanding and notice of such certification shall have been given to the Noteholders in accordance with Condition 16 (Notice to Noteholders).

10.2 Effect of Note Acceleration Notice

Upon the service of a Note Acceleration Notice in accordance with Condition 10.1 (Note Events of Default) all Classes of the Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amounts Outstanding together with accrued interest and other accrued but unpaid amounts as provided in the Trust Deed as described in Condition 11 (Enforcement). In addition, upon the service of a Note Acceleration Notice, the security constituted by the Issuer Deed of Charge will become enforceable.

11. ENFORCEMENT

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, after the service of a Note Acceleration Notice, to take steps to enforce the security constituted by the Issuer Deed of Charge), provided that:

- (a) the Note Trustee shall not be bound to take any such action unless it shall have been so directed by (i) an Extraordinary Resolution of the holders of the Most Senior Class of GBP Notes then outstanding or the Most Senior Class of EUR Notes then outstanding or (ii) a notice in writing signed by the holders of Notes outstanding constituting at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of GBP Notes then outstanding or the Most Senior Class of EUR Notes then outstanding;
- (b) (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 in writing by (i) the Note Trustee or (ii) if there are no Notes outstanding, all of the other Issuer Secured Creditors;
- (c) neither the Note Trustee nor the Issuer Security Trustee shall be bound to take any such action under this Condition 11 (Enforcement) unless it shall have been indemnified and/or, secured and/or pre-funded to its satisfaction; and
- (d) the Note Trustee shall not be entitled to take any steps or proceedings to procure the winding-up, administration, dissolution, court protection, examinership, reorganisation, receivership, liquidation, bankruptcy or other insolvency proceeding of the Issuer.

12. LIMIT ON NOTEHOLDER ACTION, LIMITED RECOURSE AND NON-PETITION

- (a) No 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 Noteholder shall be entitled to take any steps or proceedings to procure the winding up, administration, dissolution, court protection, examinership, reorganisation, receivership, liquidation, bankruptcy or other insolvency proceeding of the Issuer. Any proceeds received by a Noteholder pursuant to any such proceedings brought by a Noteholder shall be paid promptly following receipt thereof to the Note Trustee for application pursuant to clause 10 of the Trust Deed.

- (b) While there are Notes outstanding, 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. Notwithstanding any other provision of these Conditions, any Issuer Transaction Document or otherwise, the obligations of the Issuer to make any payment under the 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-Enforcement Priorities of Payments or Post-Enforcement Priority of Payments, as applicable. The obligations of the Issuer under these Conditions and the Trust Deed in respect of the Notes will be limited to such amounts from time to time and none of the 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 distribution of its proceeds in accordance with the applicable Issuer Priorities of Payments, none of the 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 Notes (including for the avoidance of doubt, payments of principal, interest and/or other amounts in respect of the Notes) 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 (including, for the avoidance of doubt, its power to appoint a receiver), none of the Note Trustee, the Issuer Security Trustee, the Noteholders or the 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, examinership, reorganisation, receivership, liquidation, bankruptcy or insolvency of the Issuer or for the appointment of an administrator, manager, receiver, receiver manager, administrative receiver, trustee, liquidator, examiner, 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 Noteholders or any of the parties to the Issuer Transaction Documents will have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Notes, the Issuer Deed of Charge or any other Issuer Transaction Document to which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.
- (f) Nothing in this Condition shall affect a payment under the Notes from falling due for the purposes of Condition 10 (Note Events of Default).

13. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER, SUBSTITUTION AND TERMINATION OF ISSUER RELATED PARTIES

13.1 Meeting of Noteholders

- (a) The Trust Deed contains provisions for convening meetings of each Class of Noteholders, meetings of each Class of GBP Noteholders, meetings of each Class of

EUR Noteholders and meetings of all the 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 Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, the Registrar or the Corporate Services Provider and a modification of the Notes or the Trust Deed (including these Conditions) or the provisions of any of the other Issuer Transaction Documents.

- (b) Such provisions allow the Issuer, the Note Trustee, the Cash Manager, the Servicer or the Special Servicer to convene (or require the Issuer to convene) Noteholder meetings for any purpose including consideration of Extraordinary Resolutions or Ordinary Resolutions and provided that at least 14 clear days' (or, in the case of an adjourned meeting, at least seven clear days') notice of such meeting be given to Noteholders in accordance with Condition 16 (Notice to Noteholders). The Note Trustee shall be obliged to convene a meeting of the Noteholders of any Class or Classes of the Notes (in each case for so long as any Notes remain outstanding), if requested to do so in writing by the holders of Notes outstanding constituting at least ten per cent. of the Principal Amount Outstanding of the Notes of the relevant Class or Classes subject to being indemnified and/or secured and/or prefunded to its satisfaction.
- (c) The Retention Holder shall be entitled, as if it were a holder of Notes of the relevant Class, to attend any meeting, count in the aggregate Principal Amount Outstanding of the Notes or the relevant Class of Notes, the quorum and vote in respect of any Ordinary Resolution or Extraordinary Resolution of any Class of Notes (including any written Ordinary Resolution or written Extraordinary Resolution, as applicable) of the Noteholders or any Class of Noteholders in respect of amendments, waivers, modifications, or consents in relation to the Senior Loans, or any potential work-out, restructuring or enforcement strategy to be discussed or approved or any replacement or appointment of the Servicer, Special Servicer or Operating Advisor, including, any meeting or written resolution to approve a Reserved Matter and any consultation or approval in respect of the final Note Maturity Plan (each, a **Retained Tranche Related Matter**) except the Retention Holder will not be entitled to attend, count in the quorum or vote in respect of any Ordinary Resolution, Extraordinary Resolution, written Ordinary Resolution or written Extraordinary Resolution in relation to any meeting, vote or consultation in relation to a decision to require the Loan Seller to repurchase the relevant Senior Loan and the Issuer's interest in the Senior Loan Security following a material breach of any representation or warranty under the Loan Sale Agreement and such matters do not constitute Retained Tranche Related Matters. For all purposes in connection with such meetings and votes, the Retention Holder shall be deemed to hold and to have voting rights in respect of 5 per cent. of the total Principal Amount Outstanding of the Notes or the relevant Class of Notes and the Principal Amount Outstanding of such Notes and therefore, the voting rights held by a Noteholder or a Noteholder of such Class shall be deemed to be in respect of 95 per cent. of the actual Principal Amount Outstanding of such Note for such purpose so that the combined holding of the Retention Holder and the Noteholders or the Noteholders of the relevant Class shall be deemed to represent 100 per cent. of the Principal Amount Outstanding of the Notes or such Class of Notes. For the purposes of determining the quorum at a meeting of Noteholders of any Class and/or for determining the voting of such Class of Noteholders, in respect of voting in respect of any Ordinary Resolution or any Extraordinary Resolution (including any written Ordinary Resolution or written Extraordinary Resolution), if any Retained Tranche Related Matter is to be the subject of a discussion or vote among the Noteholders:

- (i) the holders of any such Notes shall be deemed to have voting rights reflecting 95 per. cent. of the actual aggregate Principal Amount Outstanding of such Notes for such purposes; and
- (ii) the Retention Holder shall be deemed to be a Noteholder of such Class of Notes and shall be deemed to hold 5 per cent. of the actual aggregate Principal Amount Outstanding of such Class of Notes for such purposes.

13.2 Extraordinary Resolution or an Ordinary Resolution of the Noteholders

Extraordinary Resolution or an Ordinary Resolution of the GBP Noteholders

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Class GBP-A Noteholders shall be binding on the Class GBP-B Noteholders, the Class GBP-C Noteholders the Class GBP-D Noteholders, the Class GBP-E Noteholders or the Class GBP-F Noteholders irrespective of the effect upon them, except that a GBP Extraordinary Resolution to sanction a GBP Basic Terms Modification (only if the Class GBP-B Noteholders and/or the Class GBP-C Noteholders and/or the Class GBP-D Noteholders and/or the Class GBP-E Noteholders, and/or the Class GBP-F Noteholders, as applicable, are affected by such GBP Basic Terms Modification) will not take effect unless: either the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class GBP-B Noteholders, the Class GBP-C Noteholders, the Class GBP-D Noteholders, the Class GBP-E Noteholders and the Class GBP-F Noteholders or it shall have been sanctioned by a GBP Extraordinary Resolution of each of the Class GBP-B Noteholders and/or the Class GBP-C Noteholders and/or the Class GBP-D Noteholders and/or the Class GBP-E Noteholders and/or the Class GBP-F Noteholders.

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Class GBP-B Noteholders (provided that there is no Class GBP-A Notes outstanding) shall be binding on the Class GBP-C Noteholders, the Class GBP-D Noteholders, the Class GBP-E Noteholders or the Class GBP-F Noteholders irrespective of the effect upon them, except that a GBP Extraordinary Resolution to sanction a Basic Terms Modification (only if the Class GBP-C Noteholders and/or the Class GBP-D Noteholders and/or the Class GBP-E Noteholders and/or the Class GBP-F Noteholders, as applicable, are affected by such GBP Basic Terms Modification) will not take effect unless: either the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class GBP-C Noteholders, the Class GBP-D Noteholders, the Class GBP-E Noteholders and the Class GBP-F Noteholders or it shall have been sanctioned by a GBP Extraordinary Resolution of each of the Class GBP-C Noteholders and/or the Class GBP-D Noteholders and/or the Class GBP-E Noteholders and/or the Class GBP-F Noteholders.

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Class GBP-C Noteholders (provided that there is no Class GBP-A Notes or Class GBP-B Notes outstanding) shall be binding on the Class GBP-D Noteholders, the Class GBP-E Noteholders or the Class GBP-F Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Modification (only if the Class GBP-D Noteholders and/or the Class GBP-E Noteholders and/or the Class GBP-F Noteholders, as applicable, are affected by such Basic Terms Modification) will not take effect unless: either the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class GBP-D Noteholders, the Class GBP-E Noteholders and the Class GBP-F Noteholders or it shall have been sanctioned by a GBP Extraordinary Resolution of each of the Class GBP-D Noteholders and/or the Class GBP-E Noteholders and/or the Class GBP-F Noteholders.

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Class GBP-D Noteholders (provided that there is no Class GBP-A Notes, Class GBP-B Notes or Class GBP-C Notes outstanding) shall be binding on the Class GBP-E Noteholders and the Class GBP-F Noteholders irrespective of the effect upon them, except that a GBP Extraordinary Resolution to sanction a Basic Terms Modification (only if the Class GBP-E Noteholders and/or the Class GBP-F Noteholders are affected by such GBP Basic Terms Modification) will not take effect unless: either the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class GBP-E Noteholders or the Class GBP-F Noteholders or it shall have been sanctioned by a GBP Extraordinary Resolution of the Class GBP-E Noteholders and/or the Class GBP-F Noteholders.

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Class GBP-E Noteholders (provided that there is no Class GBP-A Notes, Class GBP-B Notes, Class GBP-C Notes or Class GBP-D Notes outstanding) shall be binding on the Class GBP-F Noteholders irrespective of the effect upon them, except that a GBP Extraordinary Resolution to sanction a Basic Terms Modification (only if the Class GBP-F Noteholders are affected by such GBP Basic Terms Modification) will not take effect unless: either the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class GBP-F Noteholders or it shall have been sanctioned by a GBP Extraordinary Resolution of the Class GBP-F Noteholders.

If any Extraordinary Resolution or any Ordinary Resolution (including a GBP Extraordinary Resolution in respect of a GBP Basic Terms Modification) is duly passed by the holders of the relevant Class or Classes of GBP Notes and either: (a) the Note Trustee has made an Opposite Currency Series No Material Prejudice Determination, or (b) in respect of an Ordinary Resolution only, such Ordinary Resolution pertains to the instructions of the Servicer or the Special Servicer to commission a desktop valuation for the purpose of determining the GBP Controlling Class, any such Extraordinary Resolution or, as applicable, Ordinary Resolution will be binding upon the holders of the EUR Notes.

Extraordinary Resolution or an Ordinary Resolution of the EUR Noteholders

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Class EUR-A Noteholders shall be binding on the Class EUR-B Noteholders, the Class EUR-C Noteholders the Class EUR-D Noteholders or the Class EUR-E Noteholders irrespective of the effect upon them, except that a EUR Extraordinary Resolution to sanction a EUR Basic Terms Modification (only if the Class EUR-B Noteholders and/or the Class EUR-C Noteholders and/or the Class EUR-D Noteholders and/or the Class EUR-E Noteholders, as applicable, are affected by such EUR Basic Terms Modification) will not take effect unless: either the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class EUR-B Noteholders, the Class EUR-C Noteholders, the Class EUR-D Noteholders and the Class EUR-E Noteholders or it shall have been sanctioned by a EUR Extraordinary Resolution of each of the Class EUR-B Noteholders and/or the Class EUR-C Noteholders and/or the Class EUR-D Noteholders and/or the Class EUR-E Noteholders.

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Class EUR-B Noteholders (provided that there is no Class EUR-A Notes outstanding) shall be binding on the Class EUR-C Noteholders, the Class EUR-D Noteholders or the Class EUR-E Noteholders irrespective of the effect upon them, except that a EUR Extraordinary Resolution to sanction a Basic Terms Modification (only if the Class EUR-C Noteholders and/or the Class EUR-D Noteholders and/or the Class EUR-E Noteholders, as applicable, are affected by such EUR Basic Terms Modification) will not take effect unless: either the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class EUR-C Noteholders, the Class EUR-D Noteholders and the Class EUR-E Noteholders

or it shall have been sanctioned by a EUR Extraordinary Resolution of each of the Class EUR-C Noteholders and/or the Class EUR-D Noteholders and/or the Class EUR-E Noteholders.

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Class EUR-C Noteholders (provided that there is no Class EUR-A Notes or Class EUR-B Notes outstanding) shall be binding on the Class EUR-D Noteholders or the Class EUR-E Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Modification (only if the Class EUR-D Noteholders and/or the Class EUR-E Noteholders, as applicable, are affected by such Basic Terms Modification) will not take effect unless: either the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class EUR-D Noteholders and the Class EUR-E Noteholders or it shall have been sanctioned by a EUR Extraordinary Resolution of each of the Class EUR-D Noteholders and/or the Class EUR-E Noteholders.

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Class EUR-D Noteholders (provided that there is no Class EUR-A Notes, Class EUR-B Notes or Class EUR-C Notes outstanding) shall be binding on the Class EUR-E Noteholders irrespective of the effect upon them, except that a EUR Extraordinary Resolution to sanction a Basic Terms Modification (only if the Class EUR-E Noteholders are affected by such EUR Basic Terms Modification) will not take effect unless: either the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class EUR-E Noteholders or it shall have been sanctioned by a EUR Extraordinary Resolution of the Class EUR-E Noteholders.

If any Extraordinary Resolution or any Ordinary Resolution (including an EUR Extraordinary Resolution in respect of an EUR Basic Terms Modification) is duly passed by the holders of the relevant Class or Classes of EUR Notes and either: (a) the Note Trustee has made an Opposite Currency Series No Material Prejudice Determination, or (b) in respect of an Ordinary Resolution only, such Ordinary Resolution pertains to the instructions of the Servicer or the Special Servicer to commission a desktop valuation for the purpose of determining the EUR Controlling Class, any such Extraordinary Resolution or, as applicable, Ordinary Resolution will be binding upon the holders of the GBP Notes.

GBP/EUR Extraordinary Resolution or a GBP/EUR Ordinary Resolution of the GBP/EUR Noteholders

In any circumstances where GBP Noteholders wish to pass an Extraordinary Resolution or, subject to limited exceptions, an Ordinary Resolution and the Note Trustee has not made an Opposite Currency Series No Material Prejudice Determination, the matter will require a GBP/EUR Extraordinary Resolution or a GBP/EUR Ordinary Resolution (as applicable) and in any circumstances where EUR Noteholders wish to pass an Extraordinary Resolution or, subject to limited exceptions, an Ordinary Resolution and the Note Trustee has not made an Opposite Currency Series No Material Prejudice Determination, the matter will require a GBP/EUR Extraordinary Resolution or a GBP/EUR Ordinary Resolution (as applicable).

A GBP/EUR Extraordinary Resolution or a GBP/EUR Ordinary Resolution duly passed and binding on all of the GBP Noteholders as described above shall be binding on the EUR Noteholders of each Class irrespective of the effect upon them, provided that the holders of the Most Senior Class of EUR Notes have not passed an Extraordinary Resolution Veto (with respect to a GBP/EUR Extraordinary Resolution within 60 days of receipt of notice of the passing of such GBP/EUR Extraordinary Resolution) or an Ordinary Resolution Veto (with respect to a GBP/EUR Ordinary Resolution within 60 days of receipt of notice of the passing of such GBP/EUR Ordinary Resolution).

A GBP/EUR Extraordinary Resolution or a GBP/EUR Ordinary Resolution duly passed and binding on all of the EUR Noteholders as described above shall be binding on the GBP Noteholders of each Class irrespective of the effect upon them, provided that the holders of the Most Senior Class of GBP Notes have not passed an Extraordinary Resolution Veto (with respect to a GBP/EUR Extraordinary Resolution within 60 days of receipt of notice of the passing of such GBP/EUR Extraordinary Resolution) or an Ordinary Resolution Veto (with respect to a GBP/EUR Ordinary Resolution within 60 days of receipt of notice of the passing of such GBP/EUR Ordinary Resolution).

13.3 Extraordinary Resolution or Ordinary Resolution of any Junior Class

GBP Extraordinary Resolution or GBP Ordinary Resolution of any GBP junior class

An Extraordinary Resolution of any Class of GBP Notes will not be effective for any purpose unless either:

- (a) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class or Classes of GBP Noteholders senior to such Class of GBP Noteholders; or
- (b) it is sanctioned by an Extraordinary Resolution of each Class of GBP Noteholders senior to such Class of GBP Noteholders; or
- (c) none of the GBP Notes of each Class of GBP Noteholders senior to such Class of GBP Noteholders remains outstanding.

An Extraordinary Resolution passed at any meeting of the Class GBP-B Noteholders, the Class GBP-C Noteholders, the Class GBP-D Noteholders, the Class GBP-E Noteholders or the Class GBP-F Noteholders will be binding on all Classes of GBP Noteholders junior to such Class, irrespective of the effect upon them, except an Extraordinary Resolution to sanction a modification of, or a waiver or authorisation of any breach or proposed breach of any of the provisions of, these Conditions or any of the Issuer Transaction Documents or to sanction a GBP Basic Terms Modification which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of each Class of GBP Noteholders junior to such Class or it shall not, in the opinion of the Note Trustee, in its sole discretion, be materially prejudicial to the respective interests of each such junior Class of GBP Noteholders.

EUR Extraordinary Resolution or EUR Ordinary Resolution of any EUR junior class

An Extraordinary Resolution of any Class of EUR Notes will not be effective for any purpose unless either:

- (a) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class or Classes of EUR Noteholders senior to such Class of EUR Noteholders; or
- (b) it is sanctioned by an Extraordinary Resolution of each Class of EUR Noteholders senior to such Class of EUR Noteholders; or
- (c) none of the EUR Notes of each Class of EUR Noteholders senior to such Class of EUR Noteholders remains outstanding.

An Extraordinary Resolution passed at any meeting of the Class EUR-B Noteholders, the Class EUR-C Noteholders, the Class EUR-D Noteholders or the Class EUR-E Noteholders will be binding on all Classes of EUR Noteholders junior to such Class, irrespective of the effect upon them, except an Extraordinary Resolution to sanction a modification of, or a waiver or authorisation of any breach or proposed breach of any of the provisions of, these Conditions or any of the Issuer Transaction Documents or to sanction a EUR Basic Terms Modification which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of each Class of EUR Noteholders junior to such Class or it shall not, in the opinion of the Note Trustee, in its sole discretion, be materially prejudicial to the respective interests of each such junior Class of EUR Noteholders.

13.4 Quorum at Noteholder's meeting

- (a) Subject as provided in Condition 13.5 (Basic Terms Modification), the quorum at any meeting of Noteholders (or of any Class of Noteholders) for passing an Ordinary Resolution will be one or more persons present holding Notes outstanding or holding voting certificates or being proxies representing Notes outstanding constituting not less than 50.01 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.
- (b) Subject as provided in Condition 13.5 (Basic Terms Modification), the quorum at any meeting of the Noteholders (or of any Class of Noteholders) for passing an Extraordinary Resolution will be one or more persons present holding Notes outstanding or holding voting certificates or being proxies representing Notes outstanding constituting not less than 50.1 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.
- (c) Subject as provided in Condition 13.5 (Basic Terms Modification), the quorum at any adjourned meeting of Noteholders (or of any Class of Noteholders), for passing an Extraordinary Resolution or an Ordinary Resolution will be one or more persons present holding Notes outstanding or holding voting certificates or being proxies representing Notes outstanding constituting whatever the Principal Amount Outstanding of Notes so held or represented.

13.5 Basic Terms Modification

The quorum at any meeting of the Noteholders of any Class for passing an Extraordinary Resolution that would have the effect of sanctioning:

- (a) any matter described in the definition of GBP Basic Terms Modification;
- (b) any matter described in the definition of EUR Basic Terms Modification;
- (c) any matter described in the definition of GBP/EUR Basic Terms Modification; or
- (d) 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**) shall be one or more persons present holding Notes outstanding of the relevant Class or voting certificates in respect thereof or proxies representing not less than 75 per cent. of the Principal Amount Outstanding of the Notes of such Class of Notes for the time being outstanding, or at any adjourned such meeting, not less than 33 1/3 per cent. of the Principal Amount Outstanding of the Notes of the relevant Class for the time being outstanding.

Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders.

Where:

A **GBP Basic Terms Modification** means:

- (a) a modification of the date of maturity of any GBP Notes;
- (b) a reduction in the amount of principal or the rate of interest payable in respect of any GBP Notes;
- (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 any GBP Notes;
- (d) any alteration of the currency of payment of any GBP Notes;
- (e) a modification to Clause 11.1 (GBP Operating Advisor) of the Servicing Agreement with respect to the GBP Operating Advisor;
- (f) a modification to the definition of GBP Controlling Class;
- (g) a release of the Issuer Security (or any part thereof) pertaining to the Senior GBP Loans or the GBP Notes other than in accordance with the provisions of the Issuer Transaction Documents (but without prejudice to the Note Trustee's and the Issuer Security Trustee's ability to exercise their respective powers and discretions under the Trust Deed and the Issuer Deed of Charge); or
- (h) a modification of the definition of GBP Basic Terms Modification or the quorum or majority required to effect a GBP Basic Terms Modification,

provided, in any such case that the Note Trustee has provided a determination that the passing of the relevant Extraordinary Resolution would not be materially prejudicial to the holders of the EUR Notes of any Class.

A **EUR Basic Terms Modification** means:

- (a) a modification of the date of maturity of any EUR Notes;
- (b) a reduction in the amount of principal or the rate of interest payable in respect of any EUR Notes;
- (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 any EUR Notes;
- (d) any alteration of the currency of payment of any EUR Notes;
- (e) a modification to Clause 11.2 (EUR Operating Advisor) of the Servicing Agreement with respect to the EUR Operating Advisor;
- (f) a modification to the definition of EUR Controlling Class;
- (g) a release of the Issuer Security (or any part thereof) pertaining to the Senior EUR Loan or the EUR Notes other than in accordance with the provisions of the Issuer

Transaction Documents (but without prejudice to the Note Trustee's and the Issuer Security Trustee's ability to exercise their respective powers and discretions under the Trust Deed and the Issuer Deed of Charge); or

- (h) a modification of the definition of EUR Basic Terms Modification or the quorum or majority required to effect a EUR Basic Terms Modification,

provided, in any such case that the Note Trustee has provided a determination that the passing of the relevant Extraordinary Resolution would not be materially prejudicial to the holders of the GBP Notes of any Class.

A GBP/EUR Basic Terms Modification means:

- (a) a modification of the definition of Basic Terms Modification or this definition of GBP/EUR Basic Terms Modification or the quorum or majority required to effect a Basic Terms Modification or GBP/EUR Basic Terms Modification;
- (b) any Reserved Matter; or
- (c) to resolve any other matter contained in the definition of GBP Basic Terms Modification or EUR Basic Terms Modification, as applicable, in cases where the Note Trustee has not made a determination that the passing of the proposed GBP Extraordinary Resolution, or, as applicable, the proposed EUR Extraordinary Resolution, would not be materially prejudicial to the interests of the holders of the Notes comprised in the Opposite Currency Series.

13.6 Rating Agency Confirmation

- (a) Pursuant to the Issuer Transaction Documents, the implementation of certain matters will or may (at the request of the Note Trustee or the Issuer Security Trustee), be subject to the receipt of a Rating Agency Confirmation.
- (b) Any request for a Rating Agency Confirmation shall be given in electronic form to the relevant Rating Agency or Rating Agencies. If any Rating Agency then rating the Notes either:
 - (i) (A) does not respond to a request to provide a Rating Agency Confirmation within ten Business Days after such request is made; and (B) does not respond to a second request to provide a Rating Agency Confirmation, in respect of the same matter as the request in Condition 13.6(b)(i)(A), within five Business Days after such second request is made (such second request not to be made less than ten Business Days after the first request is made); or
 - (ii) provides a waiver or acknowledgement indicating its decision not to review or otherwise declining to review the matter for which the Rating Agency Confirmation is sought,

the requirement for the Rating Agency Confirmation from the relevant Rating Agency with respect to such matter will be deemed not to apply, and the Issuer Security Trustee and the Note Trustee shall not be liable for any losses Noteholders may suffer as a result.

- (c) For the avoidance of doubt, such Rating Agency Confirmation or non-receipt of such Rating Agency Confirmation shall, however, not be construed to mean that any such action or inaction (or contemplated action or inaction) or such exercise (or

contemplated exercise) by the Note Trustee or the Issuer Security Trustee of any right, power, trust, authority, duty or discretion under or in relation to the Trust Deed or any of the other Issuer Transaction Documents is not materially prejudicial to the interest of holders of that Class of Notes.

- (d) **Rating Agency Confirmation** means a written confirmation from each Rating Agency then rating the Notes that:
- (i) the then current ratings of each (or the relevant) Class of Notes rated thereby will not be qualified, downgraded or withdrawn as a result of certain matters; or
 - (ii) if the original rating of the relevant Class of Notes has been downgraded previously, that certain matters will not prevent the restoration of such original rating of such Class of Notes,
 - (iii) it being acknowledged that there is no obligation on any Rating Agency to provide any such confirmation.

13.7 Disenfranchised Holder

For the purposes of determining: (a) the quorum at any meeting of Noteholders considering an Extraordinary Resolution or an Ordinary Resolution of the Noteholders or the majority of votes cast at such meeting; (b) the holders of Notes for the purposes of giving any direction to the Note Trustee (or any other party); or (c) the majorities required for any Written Extraordinary Resolution or Written Ordinary Resolution, the voting, objecting (including, without limitation, in respect of Condition 14.13 (Negative Consent) or Condition 14.14(c)) or directing rights attaching to any 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 of the Issuer; or (ii) Holdings, any Senior Obligor or their respective Affiliates; or (iii) the Sponsor or a Sponsor Affiliate (each such person falling within (i), (ii) or (iii) above a **Disenfranchised Holder**) shall not be exercisable by such Disenfranchised Holder, and such Notes shall be treated as if they were not outstanding and shall not be counted in or towards any required quorum or majority.

13.8 Written Ordinary Resolution and Written Extraordinary Resolution

- (a) The Trust Deed provides for Noteholders (or Noteholders of the relevant Class) to determine certain matters which could be determined by Extraordinary Resolution or Ordinary Resolution passed at a meeting duly convened and held to be determined instead by a Written Extraordinary Resolution or, as applicable, a Written 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.

13.9 Consent or directions of the Noteholders of any Class

Notwithstanding any provision to the contrary in these Conditions, the Trust Deed or the other Issuer Transaction Documents, at any time that any of the Notes remains outstanding, where the Noteholders of any Class are required to object to, consent or provide directions with respect to a modification of, or waiver or consent in relation to, the Senior Finance Document 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 any Class of 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.

13.10 Extraordinary Resolution or Ordinary Resolution binding

Subject to the provisions governing a Basic Terms Modification and to the provisions of these Conditions governing voting generally, an Extraordinary Resolution or an Ordinary Resolution passed at any meeting or duly signed by the required majority of Noteholders (or any Class thereof) shall be binding on all Noteholders (or, as the case may be, all Noteholders of such Class) whether or not they are present at such meeting or signed such resolution.

13.11 Type of resolution

Other than in respect of any matter requiring an Extraordinary Resolution, Noteholders are required to vote by way of an Ordinary Resolution.

13.12 Negative Consent

- (a) Without prejudice to Condition 13.13(c), the Issuer, the Note Trustee, the Cash Manager, the Servicer or the Special Servicer may propose an Extraordinary Resolution or an Ordinary Resolution of the Noteholders or any Class of Noteholders relating to any matter for consideration and approval by Negative Consent by the Noteholders or the Noteholders of such Class, other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Security.
- (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 Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Security) or an Ordinary Resolution, of the Noteholders or the Noteholders of any Class or Classes, the process whereby such Extraordinary Resolution or Ordinary Resolution shall be deemed to be duly passed and shall be binding on all of the Noteholders or the Noteholders of such Class or Classes of Notes (as the case may be) 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 Cash Manager, the Servicer or the Special Servicer to the Noteholders or the Noteholders of such Class or Classes of Notes in accordance with the provisions of Condition 16 (Notice to Noteholders);
 - (ii) such notice contains a statement:
 - (A) requiring such 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 Notes may be held) if they object to such Extraordinary Resolution or Ordinary Resolution, stating that unless holders of (I) in the case of an Extraordinary Resolution, Notes outstanding constituting 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class or Classes outstanding; or (II) in the case of an Ordinary Resolution, Notes outstanding constituting 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes outstanding or

the Notes of such Class or Classes, make such objection, the Extraordinary Resolution or Ordinary Resolution will be deemed to be passed by the Noteholders or the Noteholders of such Class or Classes; 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:
 - (A) in the case of an Extraordinary Resolution, Notes outstanding constituting 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class or Classes (as the case may be); or
 - (B) in the case of an Ordinary Resolution, Notes outstanding constituting 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class or Classes,

have not informed the Note Trustee in writing of their objection to such Extraordinary Resolution or Ordinary Resolution within 30 days of the date of the relevant notice.

- (c) Any notice containing the text of an Extraordinary Resolution or an Ordinary Resolution shall (A) in all cases also be delivered through the systems of Bloomberg L.P. (or such other medium as may be approved in writing by the Note Trustee) by the Issuer, the Note Trustee, the Cash Manager, the Servicer or the Special Servicer, and (B) for so long as any Notes are listed in the Irish Stock Exchange, be made available to any Regulatory Information Service maintained by the Irish Stock Exchange.

13.13 Modifications and waivers

- (a) The Note Trustee may agree or may direct the Issuer Security Trustee to agree, without the consent of the Noteholders of any Class (but without prejudice to Condition 13.14 (Direction of holders of Most Senior Class)):
 - (i) to any modification (except a Basic Terms Modification) of the Notes, the Trust Deed (including these Conditions) or any of the other Issuer Transaction Documents which, in the opinion of the Note Trustee, is not materially prejudicial to the interests of the holders of any Class of Notes (for so long as any of the Notes remains outstanding); or
 - (ii) to any modification of the Notes, the Trust Deed (including these Conditions) or any of the other Issuer Transaction 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 Noteholders or the other Issuer Secured Creditors 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 Noteholders of each Class of Notes (for so long as any of the Notes remain outstanding) shall not be materially prejudiced thereby, 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 Trust Deed (including these Conditions) or in any other Issuer Transaction Documents (which, for the avoidance of doubt, shall include payment by the Cash Manager of monies standing to the credit of the Issuer Transaction Accounts other than in accordance with the provisions of the Issuer Deed of Charge) or determine that any condition, event or act which constitutes a Note Event of Default or Potential Note Event of Default shall not be treated as such for the purposes of the Trust Deed (including these Conditions).

- (c) If the Issuer is of the opinion (following discussions with the applicable Rating Agencies or otherwise) that any modification is required to be made to the Issuer Transaction Documents and/or the Conditions in order to (i) comply with any criteria of the Rating Agencies which may be published after the Closing Date or (ii) comply with any alternative requirements of the Rating Agencies (where it is not possible to replace the Account Bank with a replacement bank which has the ratings required under the Cash Management Agreement), the Issuer shall promptly notify all Noteholders in accordance with Condition 16 (Notice to Noteholders) (but for so long as the Notes are represented by Global Notes and if, for so long as the Notes are listed on a stock exchange, the rules of such stock exchange so allow, paragraph (b) and paragraph (c) of Condition 16 (Notice to Noteholders) are complied with) of the proposed amendments (and shall make available to Noteholders for inspection drafts of any amendments to applicable documents) and, if within 30 calendar days from service of such notice Noteholders representing at least 20 per cent. of the then aggregate Principal Amount Outstanding of the Notes have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) to reject the proposed amendments, then all Noteholders will be deemed to have consented to the modifications and the Note Trustee shall (subject as further provided below), without seeking any consent or sanction of any of the Noteholders or any other Issuer Secured Creditor and irrespective of whether such modifications are or may be materially prejudicial to the interests of the Noteholders of any Class or any other parties to any of the Issuer Transaction Documents, concur with the Issuer and, where relevant, the Senior Obligors, and/or direct the Issuer Security Trustee to concur with the Issuer and, where relevant, the Senior Obligors, in making the proposed modifications to the Issuer Transaction Documents and/or the Conditions that are requested by the Issuer and, where relevant, the Senior Obligors in order to comply with such updated criteria, *provided that* the Issuer certifies to the Note Trustee and the Issuer Security Trustee in writing (upon which the Note Trustee and the Issuer Security Trustee shall rely on conclusively and without enquiry or liability) that (i) the proposed modifications are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating Agency to any Class of the Notes, (ii) the proposed modifications seek only to implement the new criteria published by the applicable Rating Agencies or to implement any alternative requirements of the Rating Agencies in respect of a downgrade of the Account Bank, (iii) the proposed modifications do not constitute a Basic Terms Modification and (iv) the Noteholder consultation provisions set out above have been complied with and the Noteholders have not rejected the proposed amendments within the specified timeframe; and provided further that the Note Trustee and the Issuer Security Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee and the Issuer Security Trustee, as applicable, would have the effect of (i) exposing

the Note Trustee and the Issuer Security Trustee, as applicable, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, authorisations, indemnification or protections, of the Note Trustee and the Issuer Security Trustee, as applicable in respect of the Notes, in the Issuer Transaction Documents and/or the Conditions. The Note Trustee is entitled to assume, unless otherwise notified in writing, that the entity that is the Retention Holder is the same entity (or its affiliate) as the entity holding the Retained Tranche on the Closing Date.

- (d) The Note Trustee and the Issuer Security Trustee will rely conclusively without investigation or liability on any confirmation or certification provided to it in connection with the modifications under Condition 13.13(c) above (and, in relation to any certification as to whether the modifications constitute a Basic Terms Modification shall rely conclusively on such certification without enquiry or liability) 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.
- (e) Any such modification, waiver, authorisation or determination in accordance with these Conditions or the Issuer Transaction Documents shall be binding on the Noteholders and any such modification, waiver, authorisation or determination shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 16 (Notice to Noteholders).
- (f) **Potential Note Event of Default** means an event which would be (with the expiry of any grace period, the giving of notice or the making of any determination under the Issuer Transaction Documents or any combination of them) a Note Event of Default.

13.14 Direction of holders of Most Senior Class of Notes

- (a) The Note Trustee shall not exercise the powers of waiver, authorisation or determination set out in Condition 13.13 (Modifications and waivers) (including for the purposes of complying with Rating Agency criteria) in contravention of any express written direction given by any holder or holders of the Most Senior Class of Notes then outstanding (regardless of the Principal Amount Outstanding thereof) or by an Ordinary Resolution of the holders of the Most Senior Class of Notes then outstanding (*provided that* no such direction or restriction shall affect any authorisation, waiver or determination previously made or given).
- (b) **Most Senior Class of Notes** means at any time, in respect of the GBP Notes, the Most Senior Class of GBP Notes and, in respect of the EUR Notes, the Most Senior Class of EUR Notes;

Most Senior Class of GBP Notes means at any time:

- (a) the Class GBP-A Notes;
- (b) if no Class GBP-A Notes are then outstanding, the Class GBP-B Notes (if at that time any Class GBP-B Notes are then outstanding);
- (c) if no Class GBP-A Notes or Class GBP-B Notes are then outstanding, the Class GBP-C Notes (if at that time any Class GBP-C Notes are then outstanding);

- (d) if no Class GBP-A Notes, Class GBP-B Notes or Class GBP-C Notes are then outstanding, the Class GBP-D Notes (if at that time any Class GBP-D Notes are then outstanding);
- (e) if no Class GBP-A Notes, Class GBP-B Notes, Class GBP-C Notes or Class GBP-D Notes are then outstanding, the Class GBP-E Notes (if at that time any Class GBP-E Notes are then outstanding); or
- (f) if no Class GBP-A Notes, Class GBP-B Notes, Class GBP-C Notes, Class GBP-D Notes or Class GBP-E Notes are then outstanding, the Class GBP-F Notes (if at that time any Class GBP-F Notes are then outstanding).

Most Senior Class of EUR Notes means at any time:

- (a) the Class EUR-A Notes;
- (b) if no Class EUR-A Notes are then outstanding, the Class EUR-B Notes (if at that time any Class EUR-B Notes are then outstanding);
- (c) if no Class EUR-A Notes or Class EUR-B Notes are then outstanding, the Class EUR-C Notes (if at that time any Class EUR-C Notes are then outstanding);
- (d) if no Class EUR-A Notes, Class EUR-B Notes or Class EUR-C Notes are then outstanding, the Class EUR-D Notes (if at that time any Class EUR-D Notes are then outstanding); or
- (e) if no Class EUR-A Notes, Class EUR-B Notes, Class EUR-C Notes or Class EUR-D Notes are then outstanding, the Class EUR-E Notes (if at that time any Class EUR-E Notes are then outstanding).

13.15 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 Noteholders or, as the case may be, the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a Class and, in particular, but without prejudice to the generality of the foregoing: the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Note Trustee shall not be entitled to require, nor shall any 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 Noteholders.

13.16 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 Notes, the Conditions or any of the Issuer Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders or any Class of Noteholders and in making such a determination shall be entitled to take into account, without enquiry, among any other things it may in its absolute discretion consider necessary and/or appropriate, any Rating Agency Confirmation (if available) in respect of such exercise. For the avoidance of doubt, such Rating Agency Confirmation or non-receipt of such Rating Agency Confirmation shall, however, not be construed to mean that any such action or inaction (or contemplated

action or inaction) or such exercise (or contemplated exercise) by the Note Trustee of any right, power, trust, authority, duty or discretion under or in relation to the Notes, the Conditions or any of the Issuer Transaction Documents is not materially prejudicial to the interests of holders of that Class of Notes.

13.17 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 Noteholders or any other Issuer Secured Creditor, 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 Notes of another body corporate (being a single purpose vehicle) *provided that* each Rating Agency provides a Rating Agency Confirmation (it being acknowledged that there is no obligation on any Rating Agency to provide any such confirmation) prior to such substitution taking place and subject to satisfaction of certain other conditions set out in the Trust Deed (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 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 prospectus 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 Noteholders by the Issuer in accordance with Condition 16 (Notice to Noteholders).
- (b) In connection with any such substitution of the Issuer as referred to above in Condition 13.17(a), the Note Trustee may (and may direct the Issuer Security Trustee to) also agree, without the consent of the Noteholders or the other Issuer Secured Creditors, to a change of the laws governing the Notes, these Conditions and/or any of the Issuer Transaction Documents, provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders or the other Issuer Secured Creditors.

13.18 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 Noteholder holding an interest in Notes through Euroclear or Clearstream, Luxembourg to establish its holding of such interest in the Notes to the satisfaction of such party, such holding shall be considered to be established if such Noteholder provides to the requesting party:
 - (i) a EUCLID statement (in the case of Euroclear) or a CreationOnline 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 Notes;
 - (ii) if the relevant Notes are held through one or more custodians, a signed letter from each such custodian confirming on whose behalf it is holding such Notes such that the Note Trustee is able to verify to its satisfaction the chain of ownership to the beneficial owner; and
 - (iii) any other evidence of holding of such interest in the relevant Notes in a form acceptable to the Note Trustee.
- (b) If in connection with verifying its holding the Note Trustee requires a Noteholder to temporarily block its interest in the Notes in Euroclear or Clearstream, Luxembourg, such Noteholder will be required to instruct Euroclear or Clearstream, Luxembourg (via its custodian, if applicable) to do so.

13.19 Note Maturity Plan

- (a) Upon receipt of the draft Note Maturity Plan in respect of the GBP Notes and/or the draft Note Maturity Plan in respect of the EUR Notes pursuant to clause 18 (Note Maturity Plan) of the Servicing Agreement, the Issuer or the Note Trustee shall convene, (at the cost of the Issuer and subject to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), a meeting of all GBP Noteholders at which the GBP Noteholders will have the opportunity to discuss the various proposals contained in the draft Note Maturity Plan with respect to the GBP Notes with the Special Servicer and/or a meeting of all EUR Noteholders at which the EUR Noteholders will have the opportunity to discuss the various proposals contained in the draft Note Maturity Plan with respect to the EUR Notes with the Special Servicer.
- (b) Upon receipt of the final Note Maturity Plan in respect of the GBP Notes and/or the final Note Maturity Plan in respect of the EUR Notes pursuant to clause 18 (Note Maturity Plan) of the Servicing Agreement, the Issuer or the Note Trustee shall convene, at the cost of the Issuer, a meeting of the GBP Noteholders of the Most Senior Class of GBP Notes then outstanding and the Retention Holder (as if it were a Noteholder of the Most Senior Class of GBP Notes then outstanding) at which the GBP Noteholders of the Most Senior Class of GBP Notes will be requested to select their preferred option among the proposals set out in the final Note Maturity Plan with respect to the GBP Notes and/or a meeting of the EUR Noteholders of the Most Senior Class of EUR Notes then outstanding and the Retention Holder (as if it were a Noteholder of the Most Senior Class of EUR Notes then outstanding) at which the EUR Noteholders of the Most Senior Class of EUR Notes will be requested to select their preferred option among the proposals set out in the final Note Maturity Plan with respect to the EUR Notes.

14. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

- (a) The 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 Trust Deed and the Issuer Deed of Charge also contain provisions pursuant to which the Note Trustee and the Issuer Security Trustee are entitled, *inter alia*:
 - (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 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.

15. REPLACEMENT OF GLOBAL NOTES 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. Mutilated or defaced Global Notes or Definitive Notes must be surrendered before replacements will be issued.

16. NOTICE TO NOTEHOLDERS

16.1 Validity of notices

- (a) All notices, other than notices given in accordance with Conditions 16.2 to 16.5 (inclusive) of this Condition 16, to Noteholders shall be deemed to have been validly given if:
- (i) for so long as the 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 Notes are represented by Global Notes, and if, for so long as the 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; or
 - (iii) for so long as the Notes are represented by Global Notes and if, for so long as the 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 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 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.

16.2 Impossibility

If it is impossible or impractical to give notice in accordance with paragraphs (i), (ii) or (iii) of Condition 16.1 (Validity of notices) then notice of the relevant matters shall be given in accordance with paragraph (iv) of Condition 16.1 (Validity of notices).

16.3 Copy of notices to Rating Agencies

A copy of each notice given in accordance with this Condition 16 (Notice to Noteholders) shall be provided to Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Services Europe Limited (**S&P**) and DBRS Ratings Limited (**DBRS**) for so long as, in each case, such rating agency publishes credit ratings in relation to the Notes (the **Rating Agencies**) to which reference in these Conditions shall include any additional or replacement rating agency appointed by the Issuer, with the prior written approval of the Note Trustee, to provide a credit rating in respect of the Notes or any Class thereof. For the avoidance of doubt, and unless the context otherwise requires, all references to **rating** and **ratings** in these Conditions shall be deemed to be references to the ratings assigned by the Rating Agencies.

16.4 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 Noteholders or to a Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed and *provided that* notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require. The Note Trustee shall give notice to the Noteholders in accordance with this Condition 16 (Notice to Noteholders) of any additions to, deletions from or alterations to such methods from time to time.

16.5 Verified Noteholder and Initiating Noteholder

- (a) Any Verified Noteholder will be entitled from time to time to request the Cash Manager to publish a notice on its investor reporting website requesting other Verified Noteholders of any Class or Classes to contact it subject to and in accordance with the following provisions.
- (b) For these purposes, **Verified Noteholder** means a Noteholder which has certified to the Cash Manager that it is a Noteholder in accordance with Condition 13.18 (Notes being held through Euroclear or Clearstream, Luxembourg).
- (c) Following receipt of a request for the publication of a notice from a Verified Noteholder (the **Initiating Noteholder**), the Cash Manager shall publish such notice on its investor reporting website as an addendum to any Cash Manager Quarterly Report or other report to Noteholders 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 Noteholders (or any specified Class or Classes of the same) to contact the Initiating Noteholder;
 - (ii) the name of the Initiating Noteholder and the address, phone number, website or email address at which the Initiating Noteholder can be contacted; and
 - (iii) the date(s) from, on or between which the Initiating Noteholder may be so contacted.
- (d) The Cash Manager will not request and will not be permitted to publish any further or different information through this mechanism.
 - (e) The 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 Noteholders receive the same.

17. CONTROLLING CLASS

17.1 Appointment of Operating Advisors

- (a) Each of the GBP Controlling Class and the EUR Controlling Class, respectively, may from time to time separately appoint by way of an Ordinary Resolution any person to be its representative for the purposes of this Condition (with respect to the GBP Controlling Class, the **GBP Operating Advisor** and, with respect to the EUR Controlling Class, the **EUR Operating Advisor** and together, the **Operating Advisors**).
- (b) Any Operating Advisor so appointed will have the rights set out in the Servicing Agreement. Any Operating Advisor shall, unless instructed to the contrary in writing by the majority of persons who constitute the Controlling Class, be entitled in its sole discretion to exercise all of the rights expressed to be given to it pursuant to the Servicing Agreement as it sees fit.
- (c) The appointment of any Operating Advisor shall not take effect until it notifies the Issuer, the Note Trustee, the Issuer Security Trustee, the Servicer and the Special Servicer in writing (attaching a copy of the relevant Ordinary Resolution) of its appointment.
- (d) If the GBP Operating Advisor and the EUR Operating Advisor do not so agree, neither will purport to direct the Issuer to replace the Special Servicer.

17.2 GBP Controlling Class and GBP Operating Advisors

- (a) The GBP Controlling Class may by GBP Ordinary Resolution (notified in writing to the Issuer, the Note Trustee, the Issuer Security Trustee, the Servicer and the Special Servicer) terminate the appointment of the GBP Operating Advisor. The GBP Operating Advisor may retire by giving not less than 21 days' notice in writing to the Noteholders of the GBP Controlling Class (in accordance with the terms of Condition 16 (Notice to Noteholders)), the Issuer, the Note Trustee, the Issuer Security Trustee, the Servicer and the Special Servicer.
- (b) The GBP Controlling Class may by GBP Extraordinary Resolution direct the GBP Operating Advisor to negotiate with the EUR Operating Advisor with a view to agreeing to make a joint direction to the Issuer to replace the person then acting as the Special Servicer in accordance with the terms of the Servicing Agreement.

- (c) The most junior Class of GBP Notes outstanding shall be the **GBP Controlling Class** if at the relevant time it meets the GBP Controlling Class Test. A Class of GBP Notes will meet the **GBP Controlling Class Test** if it has a total Principal Amount Outstanding which is not less than 25 per cent. of the Principal Amount Outstanding of such Class of GBP Notes on the Closing Date and for which a GBP Control Valuation Event is not continuing.
- (d) The Cash Manager shall determine which Class of GBP Notes meets the GBP Controlling Class Test.
- (e) A **GBP Control Valuation Event** will occur with respect to any Class of GBP Notes if and for so long as: (a) the difference between (1) the sum of (i) the then Principal Amount Outstanding of such Class of GBP Notes and (ii) the then Principal Amount Outstanding of all Classes of GBP Notes ranking junior to such Class; and (2) the sum of (i) 95 per cent. of any Valuation Reduction Amounts with respect to the Senior GBP Loans; and (ii) without duplication, losses realised with respect to any enforcement of security in respect of the UK Properties, is less than (b) 25 per cent. of the then Principal Amount Outstanding of such Class of GBP Notes.
- (f) A **GBP Valuation Reduction Amount** with respect to the Senior GBP Loans will be an amount (subject to a minimum of zero) equal to the excess of:
 - (i) the outstanding principal balance of the Senior GBP Loans; over
 - (ii) the excess of:
 - (A) 90 per cent. of the sum of the values set forth in the respective Control Valuations of the UK Properties (including all reserves or similar amounts which may be applied toward payments on the Senior GBP Loans) excluding the values of any UK Properties no longer held by the Senior Borrowers as at the testing date; over
 - (B) the sum of:
 - (AA) all unpaid interest on the Senior GBP Loans;
 - (BB) any other unpaid fees, expenses and other amounts that are payable prior to amounts payable to the Issuer under the Senior GBP Loans; and
 - (CC) all currently due and unpaid ground rents and insurance premia and all other amounts due and unpaid with respect to the UK Properties.

The GBP Valuation Reduction Amount with respect to the Senior GBP Loans will be redetermined on each occasion on which an updated Valuation is obtained, by reference to such Valuation.

- (g) If the most junior Class of GBP Notes outstanding does not meet the GBP Controlling Class Test, the next most junior Class of GBP Notes outstanding that does meet the GBP Controlling Class Test will be the GBP Controlling Class.
- (h) If no Class of GBP Notes has a Principal Amount Outstanding that satisfies this requirement, then the GBP Controlling Class be the Most Senior Class of GBP Notes then outstanding.

- (i) Each holder of any GBP Notes acknowledges and agrees, by its purchase of the GBP Notes, that:
- (i) the GBP Operating Advisor may have special relationships and interests that conflict with those of the holders of one or more Classes of the Notes;
 - (ii) the GBP Operating Advisor may act solely in the interests of the GBP Controlling Class;
 - (iii) the GBP Operating Advisor does not have any duties to any Noteholders other than the GBP Controlling Class;
 - (iv) the GBP Operating Advisor may take actions that favour the interests of the Noteholders of the GBP Controlling Class over the interests of the other Noteholders;
 - (v) the GBP Operating Advisor will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of its having acted solely in the interests of the GBP Controlling Class; and
 - (vi) the GBP Operating Advisor will have no liability whatsoever for having acted solely in the interests of the GBP Controlling Class, and no holder of any other Class of Notes may take any action whatsoever against the GBP Operating Advisor for having so acted.

17.3 EUR Controlling Class and EUR Operating Advisors

- (a) The EUR Controlling Class may by EUR Ordinary Resolution (notified in writing to the Issuer, the Note Trustee, the Issuer Security Trustee, the Servicer and the Special Servicer) terminate the appointment of the EUR Operating Advisor. The EUR Operating Advisor may retire by giving not less than 21 days' notice in writing to the Noteholders of the EUR Controlling Class (in accordance with the terms of Condition 16 (Notice to Noteholders)), the Issuer, the Note Trustee, the Issuer Security Trustee, the Servicer and the Special Servicer.
- (b) The EUR Controlling Class may by EUR Extraordinary Resolution direct the EUR Operating Advisor to negotiate with the GBP Operating Advisor with a view to agreeing to make a joint direction to the Issuer to replace the person then acting as the Special Servicer in accordance with the terms of the Servicing Agreement.
- (c) The most junior Class of EUR Notes outstanding shall be the **EUR Controlling Class** if at the relevant time it meets the EUR Controlling Class Test. A Class of EUR Notes will meet the **EUR Controlling Class Test** if it has a total Principal Amount Outstanding which is not less than 25 per cent. of the Principal Amount Outstanding of such Class of EUR Notes on the Closing Date and for which a EUR Control Valuation Event is not continuing.
- (d) The Cash Manager shall determine which Class of EUR Notes meets the EUR Controlling Class Test.
- (e) An **EUR Control Valuation Event** will occur with respect to any Class of EUR Notes if and for so long as: (a) the difference between (1) the sum of (i) the then Principal Amount Outstanding of such Class of EUR Notes and (ii) the then Principal Amount Outstanding of all Classes of EUR Notes ranking junior to such Class; and

(2) the sum of (i) 95 per cent. of any Valuation Reduction Amounts with respect to the Senior EUR Loan; and (ii) without duplication, losses realised with respect to any enforcement of security in respect of the Dutch Property, is less than (b) 25 per cent. of the then Principal Amount Outstanding of such Class of EUR Notes.

(f) A **EUR Valuation Reduction Amount** with respect to the Senior EUR Loan will be an amount (subject to a minimum of zero) equal to the excess of:

(i) the outstanding principal balance of the Senior EUR Loan; over

(ii) the excess of:

(A) 90 per cent. of the sum of the values set forth in the Control Valuation of the Dutch Property (including all reserves or similar amounts which may be applied toward payments on the Senior EUR Loan); over

(B) the sum of:

(AA) all unpaid interest on the Senior EUR Loan;

(BB) any other unpaid fees, expenses and other amounts that are payable prior to amounts payable to the Issuer under the Senior EUR Loan; and

(CC) all currently due and unpaid ground rents and insurance premia and all other amounts due and unpaid with respect to the Dutch Property.

The EUR Valuation Reduction Amount with respect to the Senior EUR Loan will be redetermined on each occasion on which an updated Valuation is obtained, by reference to such Valuation.

(g) If the most junior Class of EUR Notes outstanding does not meet the EUR Controlling Class Test, the next most junior Class of EUR Notes outstanding that does meet the EUR Controlling Class Test will be the EUR Controlling Class.

(h) If no Class of EUR Notes has a Principal Amount Outstanding that satisfies this requirement, then the EUR Controlling Class will be the Most Senior Class of EUR Notes then outstanding.

(i) Each holder of any EUR Notes acknowledges and agrees, by its purchase of the EUR Notes, that:

(i) the EUR Operating Advisor may have special relationships and interests that conflict with those of the holders of one or more classes of the Notes;

(ii) the EUR Operating Advisor may act solely in the interests of the EUR Controlling Class;

(iii) the EUR Operating Advisor does not have any duties to any Noteholders other than the EUR Controlling Class;

- (iv) the EUR Operating Advisor may take actions that favour the interests of the Noteholders of the EUR Controlling Class over the interests of the other Noteholders;
- (v) the EUR Operating Advisor will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of its having acted solely in the interests of the EUR Controlling Class; and
- (vi) the EUR Operating Advisor will have no liability whatsoever for having acted solely in the interests of the EUR Controlling Class, and no holder of any other Class of Notes may take any action whatsoever against the EUR Operating Advisor for having so acted.

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 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 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 (whether contractual or non-contractual) that may arise out of or in connection with the Trust Deed, the Issuer Deed of Charge, the 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.

TERMS AND CONDITIONS OF THE CLASS X CERTIFICATES

The following are the terms and conditions of the Class X Certificates in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below)

1. GENERAL

The class GBP-X1 certificates (the **Class GBP-X1 Certificates**), the class GBP-X2 certificates (the **Class GBP-X2 Certificates** and, together with the Class GBP-X1 Certificates, the **GBP-X Certificates** and the holders thereof the **GBP-X Certificateholders**), the class EUR-X1 certificates (the **Class EUR-X1 Certificates**), the class EUR-X2 certificates (the **Class EUR-X2 Certificates** and, together with the Class EUR-X1 Certificates, the **EUR-X Certificates** and the holders thereof the **EUR-X Certificateholders**, and together with the GBP-X Certificates, the **Class X Certificates**) issued by Mint 2015 plc (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) dated on 18 June 2015 (the **Closing Date**) and made between, among others, the Issuer and U.S. Bank Trustees Limited as note trustee for the registered holders for the time being of the Class X Certificates (the **Class X Certificateholders**) (the **Note Trustee**). Any reference in these Class X Certificates terms and conditions (the **Class X Certificates Conditions**) to a **Class** of Notes or of Noteholders shall be a reference to the Class GBP-A Notes, the Class GBP-B Notes, the Class GBP-C Notes, the Class GBP-D Notes, the Class GBP-E Notes, the Class GBP-F Notes, the Class EUR-A Notes, the Class EUR-B Notes, the Class EUR-C Notes, the Class EUR-D Notes and the Class EUR-E Notes, as the case may be, or to the respective holders thereof (as defined in the Trust Deed). The security for the Class X Certificates is constituted by and Issuer Deed of Charge (the **Issuer Deed of Charge**) dated on the Closing Date and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Issuer Secured Creditors (in such capacity, the **Issuer Security Trustee**).

Pursuant to an agency agreement (the **Agency Agreement**) dated on or prior to the Closing Date and made between the Issuer, the Note Trustee, Elavon Financial Services Limited, UK Branch as principal paying agent (in such capacity, the **Principal Paying Agent** and, together with any further or other paying agent appointed under the Agency Agreement, the **Paying Agent**), as registrar (the **Registrar**) and as agent bank (in such capacity, the **Agent Bank**), provision is made for, *inter alia*, the payment of amounts in respect of the Class X Certificates.

The statements in these Class X Certificates Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Issuer Deed of Charge, the Agency Agreement and the Master Definitions Schedule entered into by, among others, the Issuer, the Note Trustee and the Issuer Security Trustee on the Closing Date and the other Issuer Transaction Documents (as defined therein).

Physical copies of the Trust Deed, the Issuer Deed of Charge, the Agency Agreement, the Master Definitions Schedule and the other Issuer Transaction Documents are available for inspection during normal business hours at the specified office for the time being of each of the Paying Agents. The Class X Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Issuer Transaction Documents applicable to them.

2. INTERPRETATION

2.1 Definitions

Capitalised terms not otherwise defined in these Class X Certificates Conditions shall bear the meanings given to them in the Master Definitions Schedule available as described above.

2.2 Interpretation

These Class X Certificates Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions Schedule.

3. FORM AND TITLE

3.1 Form

Each Class X Certificate will initially be represented by a global Class X Certificate in registered form (a **Global Class X Certificate**).

For so long as any of the Class X Certificates are represented by a Global Class X Certificate, transfers and exchanges of beneficial interests in such Global Class X Certificate 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 SA/NV (**Euroclear**) or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), as appropriate. The Global Class X Certificate will be deposited with and registered in the name of a nominee of a Common Depository for Euroclear and Clearstream, Luxembourg.

A Global Class X Certificate will be exchanged for the relevant Class X Certificate in definitive registered form (such exchanged Global Class X Certificate in definitive registered form, the **Definitive Class X Certificates**) only if either of the following applies:

- (a) both Euroclear and Clearstream, Luxembourg:
 - (i) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or
 - (ii) announce an intention permanently to cease business or to cease to make their book-entry systems available for settlement of beneficial interests in the Global Class X Certificate and do in fact do either of those things,and in either case no alternative clearing system satisfactory to the Note Trustee is available; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations which become effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Class X Certificates which would not be required were the relevant Class X Certificates in definitive registered form.

If Definitive Class X Certificates are issued in respect of Class X Certificates originally represented by a Global Class X Certificate, the beneficial interests represented by such Global Class X Certificate shall be exchanged by the Issuer for the relevant Class X Certificates in registered definitive form.

Definitive Class X Certificates will be serially numbered and will be issued in registered form only.

References to **Class X Certificates** in these Class X Certificates Conditions shall include the Global Class X Certificate and the Definitive Class X Certificates.

3.2 **Title**

Title to the Global Class X Certificate shall pass by and upon registration in the register (the **Register**) which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Class X Certificate may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Class X Certificate regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

Title to Definitive Class X Certificates shall only pass by and upon registration of the transfer in the Register.

Definitive Class X Certificates may be transferred upon the surrender of the relevant Definitive Class X Certificate, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. All transfers of Definitive Class X Certificates are subject to any restrictions on transfer set out on the Definitive Class X Certificates and the detailed regulations concerning transfers in the Agency Agreement.

Each new Definitive Class X Certificate to be issued upon transfer of such Definitive Class X Certificate will, within five Business Days of receipt and surrender of such Definitive Class X Certificate (duly completed and executed) for transfer, be available for delivery at the specified office of the Registrar or be mailed at the risk of the transferee entitled to such Definitive Class X Certificate to such address as may be specified in the relevant form of transfer.

Registration of a Definitive Class X Certificate on transfer will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax, stamp duty or other government charges which may be imposed in relation to it.

4. **STATUS AND SECURITY**

4.1 **Status of the Class X Certificates**

The Class X Certificates constitute direct, secured and (subject to the limited recourse provision in Class X Certificates Condition 11.3 (Limited Recourse)) unconditional obligations of the Issuer, and represent the Issuer's obligation to pay Additional Deferred Consideration for its purchase of the Securitised Loans in accordance with the Loan Sale Agreement and the GBP Pre-Enforcement Priority of Payments, the EUR Pre-Enforcement Priority of Payments, the GBP Post-Enforcement Priority of Payments and the GBP Post-Enforcement Priority of Payments.

The Trust Deed and the Issuer Deed of Charge contain provisions requiring the Note Trustee and the Issuer Security Trustee, respectively, to have regard to the interests of the Class X Certificateholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Issuer Security Trustee (except where expressly provided otherwise) but requiring the Note Trustee in any such case to have regard (except as expressly provided otherwise) to the interests of the Noteholders for so long as there are any Notes outstanding.

4.2 **Security**

The security constituted by or pursuant to the Issuer Deed of Charge is granted to the Issuer Security Trustee for it to hold on trust for the Class X Certificateholders and the other Issuer Secured Creditors, upon and subject to the terms and conditions of the Issuer Deed of Charge.

The Class X Certificateholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Issuer Deed of Charge, upon and subject to the terms and conditions of the Issuer Deed of Charge.

5. CLASS X PAYMENTS

5.1 Right to Class X Payments

Each Class X Certificate represents a *pro rata* entitlement to receive Class X Payments by way of Additional Deferred Consideration for the purchase by the Issuer of the Portfolio.

5.2 Payment

A Class X Payment may be payable in respect of the Class X Certificates on each Note Payment Date and each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments.

- (a) **Note Payment Date** means each date determined as a Note Payment Date in accordance with the Conditions of the Notes.
- (b) **Class X Payment** means any payment of GBP-X Certificates Distribution Amount, EUR-X Certificates Distribution Amount, Subordinated GBP-X Certificates Amount and Subordinated EUR-X Certificates Amount.
- (c) The **GBP-X Certificates Distribution Amount** on any Note Payment Date is the aggregate amount of interest (excluding, for the avoidance of doubt, interest accrued at Loan LIBOR and as a result of the application of any default rate under the Senior Facility Agreement, where applicable), Senior GBP Loan Prepayment Fees and other amounts, other than repayments of principal, paid on the Securitised GBP Loan on the most recent Senior Loan Interest Payment Date, minus the aggregate of:
 - (i) the GBP Administrative Fees, GBP Issuer Profit Element and any amounts payable to the Liquidity Facility Provider under the GBP Liquidity Facility Agreement that are payable by the Issuer on such Note Payment Date or that have been paid by the Issuer since the immediately preceding Note Payment Date; and
 - (ii) the aggregate amount of interest and Note Prepayment Fees payable on the GBP Notes on such Note Payment Date.
- (d) The **EUR-X Certificates Distribution Amount** on any Note Payment Date is the aggregate amount of interest (excluding, for the avoidance of doubt, interest accrued at Loan EURIBOR and as a result of the application of any default rate under the Senior Facility Agreement, where applicable), Senior EUR Loan Prepayment Fees and other amounts, other than repayments of principal, paid on the Securitised EUR Loan on the most recent Senior Loan Interest Payment Date, minus the aggregate of:
 - (i) the EUR Administrative Fees, EUR Issuer Profit Element and any amounts payable to the Liquidity Facility Provider under the EUR Liquidity Facility Agreement that are payable by the Issuer on such Note Payment Date or that have been paid by the Issuer since the immediately preceding Note Payment Date; and
 - (ii) the aggregate amount of interest and Note Prepayment Fees payable on the EUR Notes on such Note Payment Date.

- (e) **Class X Trigger Event** means the first to occur of:
- (i) a Note Payment Date after the Expected Note Maturity Date;
 - (ii) a Special Servicing Transfer Event; and
 - (iii) the delivery of a Note Acceleration Notice.

- (f) **Subordinated GBP-X Certificates Amounts** means all GBP-X Certificates Distribution Amounts accruing after the occurrence of a Class X Trigger Event.

Following the occurrence of a Class X Trigger Event, payment of Subordinated GBP-X Certificates Amounts will be subordinated to the payments of interest on all Classes of GBP Notes. Subordinated GBP-X Certificates Amounts will only be paid if there are sufficient GBP Revenue Receipts on the relevant Note Payment Date to pay such amounts on such Note Payment Date after all the prior ranking items have been paid or provided for.

GBP Available Funds representing GBP Loan Default Interest which have not been applied towards payment of items ranking above the Subordinated GBP-X Certificates Amounts will be credited to the Issuer GBP Transaction Account and will form part of GBP Available Funds on each subsequent Note Payment Date. Following redemption of the Class GBP-A Notes, the Class GBP-B Notes, the Class GBP-C Notes, the Class GBP-D Notes, the Class GBP-E Notes and the Class GBP-F Notes, any remaining amounts of GBP Loan Default Interest will be payable to the GBP-X Certificateholders.

- (g) **Subordinated EUR-X Certificates Amounts** means all EUR-X Certificates Distribution Amounts accruing after the occurrence of a Class X Trigger Event.

Following the occurrence of a Class X Trigger Event, payment of Subordinated EUR-X Certificates Amounts will be subordinated to the payments of interest on all Classes of EUR Notes. Subordinated EUR-X Certificates Amounts will only be paid if there are sufficient EUR Revenue Receipts on the relevant Note Payment Date to pay such amounts on such Note Payment Date after all the prior ranking items have been paid or provided for.

EUR Available Funds representing EUR Loan Default Interest which have not been applied towards payment of items ranking above the Subordinated EUR-X Certificates Amounts will be credited to the Issuer EUR Transaction Account and will form part of EUR Available Funds on each subsequent Note Payment Date. Following redemption of the Class EUR-A Notes, the Class EUR-B Notes, the Class EUR-C Notes, the Class EUR-D Notes and the Class EUR-E Notes, any remaining amounts of EUR Loan Default Interest will be payable to the EUR-X Certificateholders.

- (h) On each Note Payment Date up to and including the Note Payment Date in falling in February 2016:
- (i) the holder of a Class GBP-X1 Certificate will be entitled to be paid the GBP-X Certificates Distribution Amount. On each Note Payment Date following the Note Payment Date falling in February 2016, the holder of the Class GBP-X2 Certificate will be entitled to be paid the GBP-X Certificates Distribution Amount; and

- (ii) the holder of the Class EUR-X1 Certificate will be entitled to be paid the EUR-X Certificates Distribution Amount. On each Note Payment Date following the Note Payment Date falling in February 2016, the holder of the Class EUR-X2 Certificate will be entitled to be paid the EUR-X Certificates Distribution Amount.
- (i) **GBP-X Certificates Payment Amount** means, for a GBP-X Certificate on any date on which amounts are to be applied to that GBP-X Certificate in accordance with the applicable Priority of Payments, the GBP-X Certificates Distribution Amount for that date, divided by the number of the relevant GBP-X Certificates then in issue.
- (ii) **EUR-X Certificates Payment Amount** means, for a EUR-X Certificate on any date on which amounts are to be applied to that EUR-X Certificate in accordance with the applicable Priority of Payments, the EUR-X Certificates Distribution Amount for that date, divided by the number of the relevant EUR-X Certificates then in issue.

5.3 **Determination of Class X Payment**

The Cash Manager shall on each Determination Date determine the GBP-X Certificates Payment Amount and the EUR-X Certificates Payment Amount (collectively, the **Class X Payment Amounts**) payable on the immediately following Note Payment Date and the Class X Payment Amounts payable in respect of each Class X Certificate on such Note Payment Date.

5.4 **Publication of Class X Payment and Class X Payment Amount**

The Cash Manager shall cause the Class X Payments and Class X Payment Amounts (if any) for each Note Payment Date to be notified to the Issuer, the Cash Manager, the Note Trustee, the Registrar and the Paying Agents (as applicable) and to be published in accordance with Class X Certificates Condition 15 (Notice to Class X Certificateholders) as soon as possible after their determination and in no event later than two Business Days prior to the immediately succeeding Note Payment Date.

5.5 **Determination by the Note Trustee**

The Note Trustee may, without liability therefor, if the Cash Manager defaults at any time in its obligation to determine any Class X Payment or Class X Payment Amount (if any) in accordance with the above provisions and the Note Trustee has been notified of this default, determine or cause to be determined such Class X Payment or Class X Payment Amount (if any), in the manner provided in these Class X Certificates Conditions. Any such determination shall be deemed to be a determination made by the Cash Manager.

5.6 **Notifications to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Class X Certificates Conditions, whether by the Cash Manager or the Note Trustee, will (in the absence of manifest error) be binding on the Issuer, the Cash Manager, the Note Trustee, the Registrar, the Paying Agents and all Class X Certificateholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Class X Certificateholders shall attach to the Cash Manager, the Registrar or, if applicable, the Note Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under these Class X Certificates Conditions.

5.7 Termination of Payments

Following the redemption in full of the Notes, the realisation of the Issuer Charged Assets and payment of the proceeds of realisation in accordance with the applicable Priority of Payments, no more Class X Payments will be made by the Issuer and the Class X Certificates shall be cancelled.

6. PAYMENTS

6.1 Payment of Class X Payment Amounts

Subject to paragraph 2 of Class X Certificates Condition 3.1 (Form and Denomination), payments of Class X Payment Amounts shall be made by:

- (a) (other than in the case of final cancellation) upon application by the relevant Class X Certificateholder to the specified office of the Principal Paying Agent not later than the 15th day before the due date for any such payment, by transfer to a sterling account or a euro account (as applicable) maintained by the payee with a bank in London; and
- (b) (in the case of final cancellation) transfer to a sterling account or a euro account (as applicable) maintained by the payee with a bank in London (as applicable) upon surrender (or, in the case of part-payment only, endorsement) of the relevant Global Class X Certificate or Definitive Class X Certificate (as the case may be) at the specified office of any Paying Agent.

6.2 Laws and Regulations

Payments of any Class X Payment Amounts are subject, in all cases, to (i) any fiscal or other laws and regulations applicable thereto and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **U.S. Tax Code**) or otherwise imposed pursuant to sections 1471 to 1474 of the U.S. Tax Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto. Class X Certificateholders will not be charged commissions or expenses on payments.

6.3 Change of Paying Agents

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 the Principal Paying Agent or the Registrar and to appoint additional or other agents, provided that:

- (a) there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London, and a person appointed to perform the obligations of the Registrar with a specified office in Ireland or in London; and
- (b) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 days and no less than 15 days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Class X Certificateholders in accordance with Class X Certificates Condition 15 (Notice to Class X Certificateholders) and will notify the Rating Agencies of such change or addition.

6.4 **No Payment on non-Business Day**

If the date for payment of any amount in respect of a Class X Certificate is not a Presentation Date, Class X Certificateholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to interest or other payment in respect of such delay. In this Class X Certificates Condition 7.4, the expression **Presentation Date** means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

7. **TAXATION**

All payments of Class X Payment Amounts by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imports, duties, fees, deductions, withholding or charges of any nature whatsoever and wheresoever imposed, including income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon (**Certificate Taxes**), unless the withholding or deduction of the Certificate Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the 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 nor any other person shall be obliged to make any additional payments to Class X Certificateholders in respect of such withholding or deduction.

8. **PRESCRIPTION**

Claims in respect of Class X Payment Amounts will be prescribed after ten years from the Relevant Date in respect of the relevant payment.

In this Class X Certificates Condition 9, the **Relevant Date**, in respect of a payment, is 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 Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Class X Certificateholders in accordance with Class X Certificates Condition 15 (Notice to Class X Certificateholders).

9. **ENFORCEMENT**

9.1 **General**

The Note Trustee may, at any time, at its discretion and without notice and in such manner as it thinks fit, take such proceedings, actions and/or steps or direct the Issuer Security Trustee to take such proceedings, actions and/or steps against the Issuer or any other party to any of the Issuer Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Class X Certificates or the Trust Deed (including these Class X Certificates Conditions) or (in the case of the Issuer Security Trustee) the Issuer Deed of Charge or (in either case) any of the other Issuer Transaction Documents to which it is a party and, at any time after the service of a Senior Enforcement Notice, the Note Trustee may, at its discretion and without notice, direct the Issuer Security Trustee to take such steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless, at the written direction of any Class X Certificateholder and subject to being indemnified and/or secured and/or prefunded to its satisfaction.

9.2 **Limitations on Enforcement**

No Class X Certificateholder shall be entitled to proceed directly against the Issuer or any other party to any of the Issuer Transaction Documents to enforce the performance of any of the Class X Certificates Conditions or any of the provisions of the Issuer Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Note Trustee or, as the case may be, the Issuer Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, provided that no Class X Certificateholder shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

9.3 **Limited Recourse**

Notwithstanding any other Class X Certificates Condition or any provision of any Transaction Document, all obligations of the Issuer to the Class X Certificateholders are limited in recourse to the property, assets and undertakings of the Issuer the subject of any security created under and pursuant to the Issuer Deed of Charge (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay, in accordance with the provisions of the Issuer Deed of Charge, any further amounts under the Class X Certificates (including payments of Class X Payment Amounts),

then the Class X Certificateholders shall have no further claim against the Issuer in respect of any further amounts due or to be paid in respect of the Class X Certificates (including, for the avoidance of doubt, payments of Class X Payment Amounts in respect of the Class X Certificates) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Class X Certificates and any further payment rights shall be extinguished.

10. **MEETINGS OF CLASS X CERTIFICATEHOLDERS**

- 10.1 The Trust Deed contains provisions providing for the GBP-X Certificateholders to consider any matter affecting a Class X Entrenched Right with respect to the GBP-X Certificates, and for the EUR-X Certificateholders to consider any matter affecting a Class X Entrenched Right with respect to the EUR-X Certificates.
- 10.2 Any modification of the definitions of the GBP-X Certificates Distribution Amount, the EUR-X Certificates Distribution Amount, the Relevant Margin, the GBP Administrative Fees or the EUR Administrative Fees or the ability of the Servicer or Special Servicer to reduce the interest rate on any Securitised Loan at any time prior to the Final Senior Loan Repayment Date of the Securitised Loans (the **Class X Entrenched Rights**) will require the prior written consent of the GBP-X Certificateholders and the EUR-X Certificateholders.

11. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

The Trust Deed and the Issuer Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Issuer Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Issuer Security Trustee, enforcing the Issuer Security, unless indemnified and/or prefunded and/or secured to their satisfaction.

The Trust Deed and the Issuer Deed of Charge also contain provisions pursuant to which the Note Trustee and the Issuer Security Trustee are entitled, *inter alia*, (a) 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, (b) 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, individual Class X Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

12. REPLACEMENT OF CLASS X CERTIFICATES

If any Class X Certificate is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws. Replacement of any mutilated, defaced, lost, stolen or destroyed Class X Certificate will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Registrar may reasonably require. A mutilated or defaced Class X Certificate must be surrendered before a new one will be issued.

13. NOTICE TO CLASS X CERTIFICATEHOLDERS

13.1 Publication of Notice

While the Class X Certificates are represented by a Global Class X Certificate, notices to Class X Certificateholders will be valid if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Class X Certificateholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid, shall be deemed to have been given on the day of such delivery.

While the Class X Certificates are represented by Definitive Class X Certificates, the notices to Class X Certificateholders will be valid 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.

While the Class X Certificates are represented by Definitive Class X Certificates, the Note Trustee shall be at liberty to sanction any method of giving notice to the Class X Certificateholders if, in its opinion, such method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the Class X Certificateholders in such manner as the Note Trustee shall deem appropriate.

13.2 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Class X Certificateholders or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the quotation systems on or by which the Class X Certificates are then quoted and/or traded and provided that notice of such other method is given to the Class X Certificateholders in such manner as the Note Trustee shall require.

14. GOVERNING LAW AND JURISDICTION

14.1 Governing law

The Issuer Transaction Documents and the Class X Certificates, 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.

14.2 Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any dispute (whether contractual or non-contractual) that may arise out of or in connection with the Trust Deed, the Issuer Deed of Charge, the Class X Certificates 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.

15. 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 X Certificates or these Class X Certificates Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

USE OF PROCEEDS

The net proceeds from the issue of the GBP Notes will be approximately £251,084,000 and the net proceeds from the issuance of the EUR Notes will be approximately €130,965,000 and this sum will be applied by the Issuer towards payment of £251,084,000 and €130,965,000 to the Loan Seller as consideration for the purchase of the Securitised Loans and the interest in the Senior Loan Security in relation thereto on the Closing Date pursuant to the Senior Facility Agreement.

UNITED KINGDOM TAXATION

The following applies only to persons who are the beneficial owners of 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 interest in respect of 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 Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Class X Certificates. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders or Class X Certificateholders 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.

Interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the 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 Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in European Economic Area states and are admitted to trading on the Irish Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the 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 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 Notes which has a UK 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 Noteholder, HMRC can issue a notice to the Issuer to pay interest to the 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 Notes, including in relation to issues of and other transactions in the Notes, interest, payments treated as interest and other payments derived from the Notes. This may include details of the beneficial owners of the Notes, of the persons for whom the Notes are held and of the persons to whom payments derived from the 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 Notes, persons who make, receive or are entitled to receive payments derived from the 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 in deemed 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 Notes and Class X Certificates 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 Notes and Class X Certificates characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. Consequently, if any Notes or Class X Certificates are characterised as debt for U.S. federal tax purposes, withholding under FATCA would not apply to foreign passthru payments made in respect of such Notes or Class X Certificates absent a material modification or further issuance after the grandfathering date.

The United States and a number of other jurisdictions have entered into 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.-United Kingdom IGA**) based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the U.S.-United Kingdom 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 Notes and the Class X Certificates are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes and the Class X Certificates 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 Notes and the Class X Certificates are in global form and held within Euroclear and Clearstream, Luxembourg (together, the **ICSDs**), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes and the Class X Certificates by the Issuer, any paying agent and the Common Depository or the Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs 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 Notes and the Class X Certificates. The documentation expressly contemplates the possibility that the Notes and the Class X Certificates may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, Definitive Notes and Definitive Class X Certificates 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.-United Kingdom IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisors on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes and the Class X Certificates.

EU SAVINGS DIRECTIVE

Under Council Directive 2003/48/EC on the taxation of savings income (the 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.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. 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 (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted the Amending Directive amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would 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.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

SUBSCRIPTION AND SALE

J.P. Morgan Securities plc in its capacity as lead manager (the **Lead Manager**), has agreed, pursuant to the subscription agreement entered into on or about the Closing Date between, among others, the Issuer and the Lead Manager (the **Subscription Agreement**), subject to certain conditions, to procure subscribers, failing which itself to subscribe and pay, for each Class of Notes at 100 per cent. of their respective principal amounts.

J.P. Morgan Securities plc or an affiliate will retain the entire Class EUR-C Notes on the Closing Date. J.P. Morgan Securities plc or an affiliate will have no obligation to retain the Class EUR-C Notes for any length of time after the Closing Date.

Pursuant to the Loan Sale Agreement, the Loan Seller has covenanted 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, Article 51 of the AIFM Regulation and Article 254 of the Solvency II Regulation. As at the Closing Date, such interest will be comprised of at least a 5 per cent. interest in the Senior Loans as required by the text of each of Article 405, Article 51 and Article 254. Any change to the manner in which such interest is held will be notified to Noteholders.

United States of America

The Lead Manager has acknowledged to the Issuer that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. The Lead Manager has agreed that it will not offer, sell or deliver the 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 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 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 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 Notes a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (the **Relevant Member State**), the Issuer and the Lead Manager have represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Lead Manager or Lead Managers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of 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 Notes to the public” in relation to any 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant 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 Financial Services and Markets Act 2000 (**FSMA**)) received by it in connection with the issue or sale of the 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 Notes in, from or otherwise involving the United Kingdom.

Ireland

The Lead Manager has further represented and agreed that:

- (a) it has not offered, sold or placed and will not offer, sell or place any Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) of Ireland and the provisions of the Irish Companies Acts, including any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 (as amended) of Ireland by the Central Bank of Ireland;
- (b) it has not and will not offer, sell or place any Notes other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) of Ireland and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland by the Central Bank of Ireland;
- (c) it has not offered, sold or placed and will not offer, sell or place any Notes otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) of Ireland including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998 (as amended) of Ireland;

- (d) it has not and will not offer, sell or place any Notes other than in compliance with the provisions of the Companies Act 1963-2013, the Central Bank Acts 1942 to 2014 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1998 (as amended) of Ireland; and
- (e) in connection with offers or sales of Notes, it has only issued or passed on, and will only issue or pass on, any document received by it in connection with the issue of the Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

The Netherlands

The Lead Manager has further represented and agreed that the Notes (including rights representing an interest in each global note that represents the Notes) may only be offered or sold to qualified investors (*gekwalificeerde beleggers*) as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

General

Other than the approval by the Central Bank of Ireland of this Prospectus as a prospectus in accordance with the requirements of the Prospectus Directive and implementing measures in Ireland, application having been made for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on the Main Securities Market and the filing of this Prospectus as a prospectus with the Companies Registration Office in Ireland, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Prospectus or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Lead Manager has undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

Interests of natural and legal persons involved in the issue/offer

The Lead Manager and its affiliates (including parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer, the Senior Borrowers 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 Notes.

The 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 Notes, together with each subsequent transferee of 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):

1. Transfer Restrictions and Notice thereof. Each Purchaser acknowledges and agrees that (1) the 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 Notes nor any beneficial interest in the 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 Notes or a beneficial interest in the Notes outside the United States in compliance with Rule 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 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 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 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 NOTES THAT IT (I) IS LOCATED OUTSIDE THE UNITED STATES AND (II) IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S AND IS ACQUIRING THIS NOTE OR A BENEFICIAL INTEREST IN THIS NOTE IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S. 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 TRANSFEREE (1) IS LOCATED OUTSIDE THE UNITED STATES AND (2) IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S AND IS ACQUIRING THIS NOTE OR A BENEFICIAL INTEREST IN THIS NOTE IN COMPLIANCE WITH RULE 903 AND 904 OF REGULATION S.

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 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 Noteholder and the Issuer will have the right, but not the obligation, to force the transfer of, or redeem, any such Notes.

GENERAL INFORMATION

1. The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on 15 June 2015.
2. It is expected that admission of the 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 Notes. The listing of the Notes will be cancelled if the Global Notes are not issued. Secondary transactions will normally be effected for settlement in sterling or euro (as applicable) and for delivery on the third working day after the day of the transaction.
3. The Global Notes and Global Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg as set out under “*Description of the Notes*” and as follows:

Class	Common Code	ISIN
Class GBP-A Notes	111729476	XS1117294766
Class GBP-X1 Certificates	111729492	XS1117294923
Class GBP-X2 Certificates	111729557	XS1117295573
Class GBP-B Notes	111729565	XS1117295656
Class GBP-C Notes	111729611	XS1117296118
Class GBP-D Notes	111729441	XS1117294410
Class GBP-E Notes	111729522	XS1117295227
Class GBP-F Notes	111729581	XS1117295813
Class EUR-A Notes	111729468	XS1117294683
Class EUR-X1 Certificates	111729450	XS1117294501
Class EUR-X2 Certificates	111729409	XS1117294097
Class EUR-B Notes	111729433	XS1117294337
Class EUR-C Notes	111729514	XS1117295144
Class EUR-D Notes	111729484	XS1117294840
Class EUR-E Notes	111729417	XS1117294170

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. There has been no significant change in the financial or trading position of Carolia Amsterdam Hotel B.V. since 31 December 2013 and there has been no material adverse change in the prospects of Carolia Amsterdam Hotel B.V. since 31 December 2013.
6. Copies of the following documents (and any amendments thereto from time to time) will be available electronically or may be inspected in physical/electronic form during usual business hours on any week day (excluding Saturdays, Sundays and public holidays) at the specified offices of the Principal Paying Agent and at the registered office of the Issuer for the term of the Notes for so long as any Notes are listed on the Irish Stock Exchange:
 - (a) the memorandum and articles of association of the Issuer;
 - (b) the memorandum and articles of association or deed of incorporation, as applicable, of each Senior Borrower;
 - (c) the audited consolidated financial statements of Carolia Amsterdam Hotel B.V. for the years ending 31 December 2012 and 2013;
 - (d) the Trust Deed;

- (e) the Issuer Deed of Charge;
 - (f) the Loan Sale Agreement;
 - (g) the Servicing Agreement;
 - (h) the Cash Management Agreement;
 - (i) the Corporate Services Agreement;
 - (j) the Agency Agreement;
 - (k) the Master Definitions Schedule;
 - (l) the GBP Liquidity Facility Agreement; and
 - (m) the EUR Liquidity Facility Agreement.
7. The 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 advisors 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 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 advisor or expert.
 8. Except as is outlined in this Prospectus, the Issuer does not intend to provide any post issuance information in relation to the Notes.
 9. The language of this Prospectus 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 Prospectus.
 10. No website referred to in this Prospectus forms part of this Prospectus for the purposes of the listing of the Notes on the Irish Stock Exchange.
 11. Servicer Quarterly Reports, Cash Manager Quarterly Reports and other notices to the Noteholders will be made available for review at www.usbank.com/abs.
 12. Fees and expenses relating to the application for admission of the Notes to trading on the Main Securities Market are expected to be approximately €2,000 per annum.
 13. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the 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

PROPERTIES

Property	Title number / Description	Leasehold / Freehold	Legal Owner/s	Beneficial Owner/s	Mezzanine Allocated Loan Amount	Senior Allocated Loan Amount
1. DoubleTree by Hilton, London Westminster	LN96333 and NGL795620 / Land at John Islip Street and 30 John Islip Street, London SW1P 4DD	Freehold	Carolia Westminster Hotel Limited	Carolia Westminster Hotel Limited	£20,708,441	£93,247,297
2. DoubleTree by Hilton, Tower of London	LN219297 / Mariner House, Pepys Street, London EC3N 4HY	Freehold	Carolia Tower Hotel Limited	Carolia Tower Hotel Limited	£37,987,375	£171,051,989
3. DoubleTree by Hilton, Amsterdam Centraal Station	Ground lease of Kavel 1 Hotel, situated on the parcel of land known with the land registry as Municipality of Amsterdam Section G, numbers 8888, 8889, 8890, 8891, 8892, 8893, 8896, 8900, 8898 and 8899 owned by the Municipality of Amsterdam	Perpetual right of leasehold (<i>voortdurend recht van erfpacht</i>)	Carolia Amsterdam Hotel B.V.	Carolia Amsterdam Hotel B.V.	€30,685,896	€137,858,937

APPENDIX 2
FORM OF QUARTERLY SERVICING REPORT



CBRE LOAN SERVICING LIMITED

MINT HOTELS INVESTOR REPORT

REPORT AUTHOR

MAIKE BAUDISCH

Asset Manager

+44 (0)20 7182 2937

maike.baudisch@bre.com

COLLECTION PERIOD:

28/5/14-17/8/15

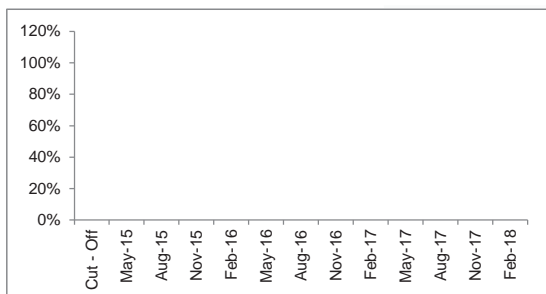
LOAN INFORMATION

Loan Information

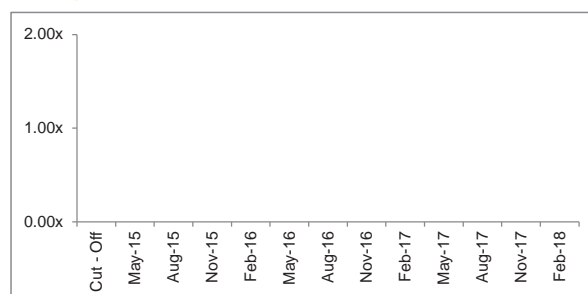
	SENIOR		MEZZANINE	
	£	€	£	€
Funding Date	17/12/2014		17/12/2014	
Maturity Date	15/02/2018		19/02/2018	
Remaining Term				
Balance at Utilisation				
Repayments To-Date	-	-	-	-
Balance of Loan	-	-	-	-
Repayments since the last IPD				
ALA	-	-	-	-
ALA Excess	-	-	-	-
Other	-	-	-	-
	LIBOR	EURIBOR	LIBOR	EURIBOR
Margin				
Floating Rate				
All-in Interest Rate				
Hedging Rate				
Financial Covenants	Threshold	Actual Passed (Y,N)		
Senior LTV	75.0%			
Senior ICR	1.25x			
Cash Trap Covenants	Threshold	Actual Passed (Y,N)		
Senior LTV	70.0%			
Senior/Mezz LTV	80.0%			
Senior ICR	1.50x			
Senior/Mezz ICR	1.30x			
Seasonality Reserve	Threshold	Actual Passed (Y,N)		
Quarterly ICR				
Total amount in Blocked Accounts	-	-	-	-

DATE	LTV	ICR
Cut - Off		
May-15		
Aug-15		
Nov-15		
Feb-16		
May-16		
Aug-16		
Nov-16		
Feb-17		
May-17		
Aug-17		
Nov-17		
Feb-18		

LTV



ICR



PROPERTY INFORMATION

Portfolio Level KPI's

	3 Month Trailing				
	Tower of London GBP	Westminster GBP	Total UK Portfolio GBP	Dutch Property EUR	Total GBP equiv. GBP
- Occupancy	xx%	xx%	xx%	xx%	xx%
- Revenue	GBP	GBP	GBP	EUR	GBP
- Property Level EBITDA	GBP	GBP	GBP	EUR	GBP
- FF&E Reserve	GBP	GBP	GBP	EUR	GBP
- NOI	GBP	GBP	GBP	EUR	GBP

Portfolio Level KPI's

	12 Month Trailing				
	Tower GBP	Westminster GBP	Total UK Portfolio GBP	Dutch Property EUR	Total GBP equiv. GBP
- Occupancy	xx%	xx%	xx%	xx%	xx%
- Revenue	GBP	GBP	GBP	EUR	GBP
- Property Level EBITDA	GBP	GBP	GBP	EUR	GBP
- FF&E Reserve	GBP	GBP	GBP	EUR	GBP
- NOI	GBP	GBP	GBP	EUR	GBP

Property Information Reporting Period

	From:	To:
3 months trailing	DD-MM-YYYY	DD-MM-YYYY
12 months trailing	DD-MM-YYYY	DD-MM-YYYY

Project Mint ALA

Property	Market Value (LCY)	ALA Senior Loan (LCY)	ALA Mezzanine Loan (LCY)	ALA Senior + Mezzanine Loan (LCY)
Tower of London				
Westminster				
Total UK Portfolio				
Dutch Property				
Total (GBP equiv.)				

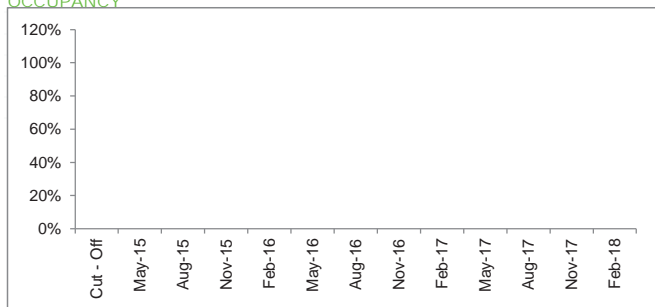
Notes:

FX: 1 EUR = 0.7937 GBP

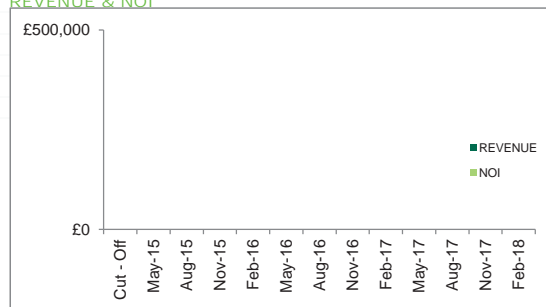
HISTORICAL PORTFOLIO PERFORMANCE (3M TRAILING)

DATE	OCCUPANCY	REVENUE	NOI	MARKET VALUE
Cut - Off				
May-15				
Aug-15				
Nov-15				
Feb-16				
May-16				
Aug-16				
Nov-16				
Feb-17				
May-17				
Aug-17				
Nov-17				
Feb-18				

OCCUPANCY



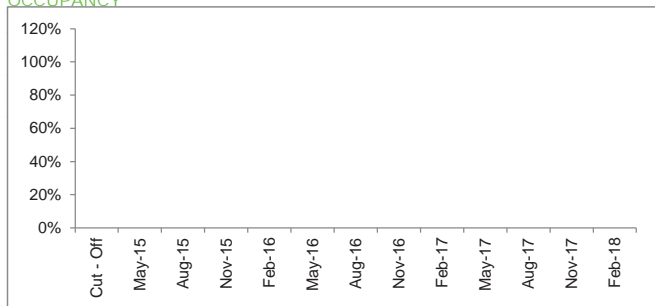
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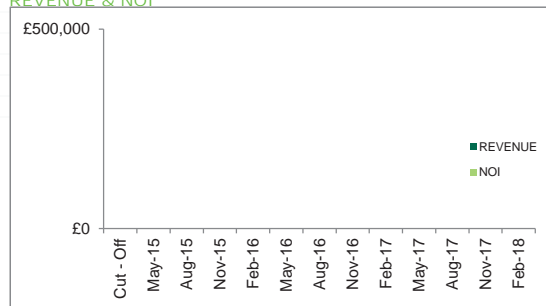
HISTORICAL PORTFOLIO PERFORMANCE (12M TRAILING)

DATE	OCCUPANCY	REVENUE	NOI	MARKET VALUE
Cut - Off				
May-15				
Aug-15				
Nov-15				
Feb-16				
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Nov-16				
Feb-17				
May-17				
Aug-17				
Nov-17				
Feb-18				

OCCUPANCY



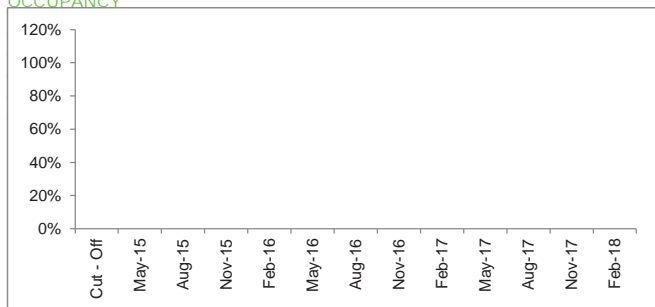
REVENUE & NOI



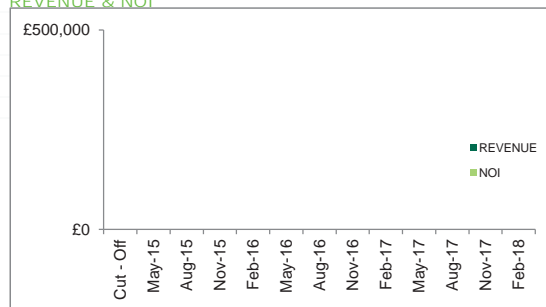
HISTORICAL PERFORMANCE - LONDON HOTELS (3M TRAILING)

DATE	OCCUPANCY	REVENUE	NOI	MARKET VALUE
Cut - Off				
May-15				
Aug-15				
Nov-15				
Feb-16				
May-16				
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Nov-16				
Feb-17				
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Nov-17				
Feb-18				

OCCUPANCY



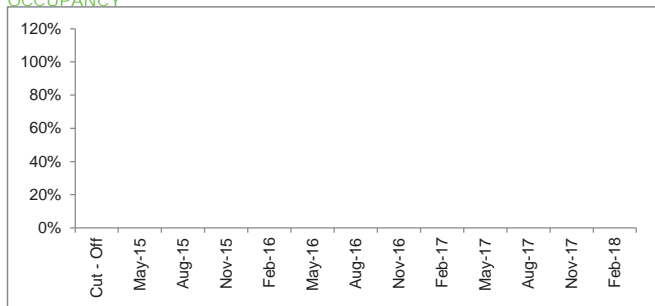
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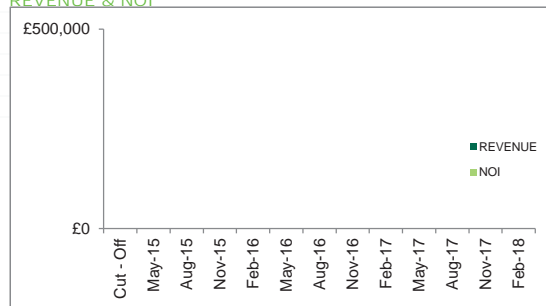
HISTORICAL PERFORMANCE - LONDON HOTELS (12M TRAILING)

DATE	OCCUPANCY	REVENUE	NOI	MARKET VALUE
Cut - Off				
May-15				
Aug-15				
Nov-15				
Feb-16				
May-16				
Aug-16				
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Feb-17				
May-17				
Aug-17				
Nov-17				
Feb-18				

OCCUPANCY



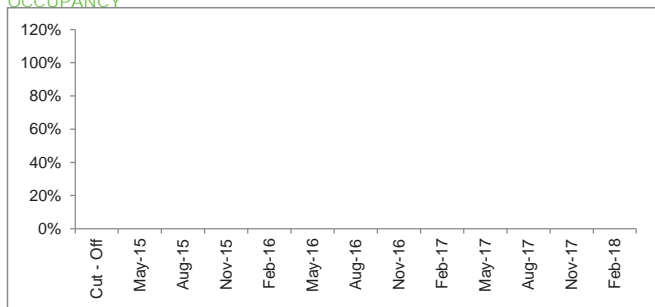
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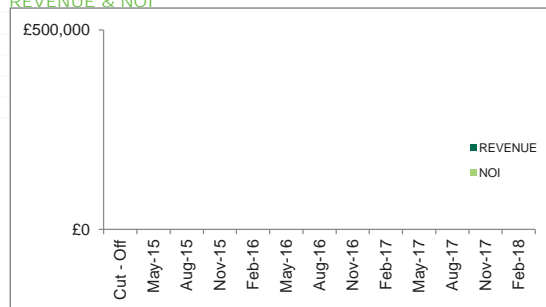
HISTORICAL PERFORMANCE - TOWER OF LONDON HOTELS (3M TRAILING)

DATE	OCCUPANCY	REVENUE	NOI	MARKET VALUE
Cut - Off				
May-15				
Aug-15				
Nov-15				
Feb-16				
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Feb-17				
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Feb-18				

OCCUPANCY



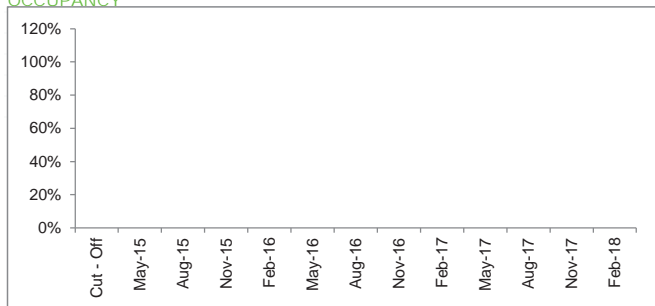
REVENUE & NOI



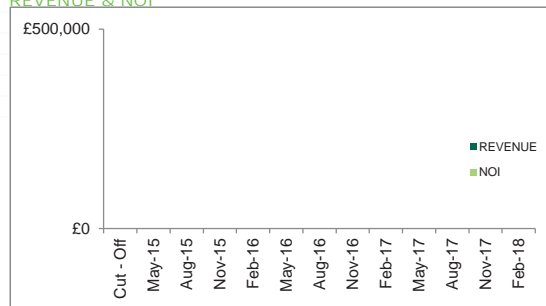
HISTORICAL PERFORMANCE - TOWER OF LONDON HOTELS (12M TRAILING)

DATE	OCCUPANCY	REVENUE	NOI	MARKET VALUE
Cut - Off				
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OCCUPANCY



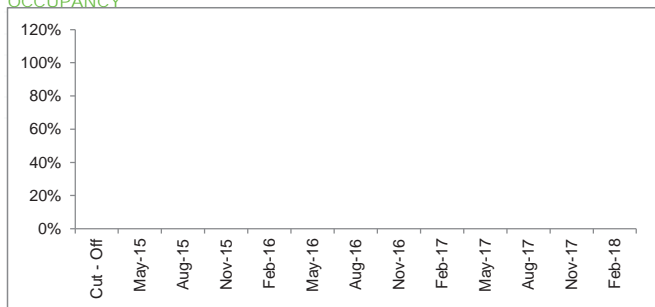
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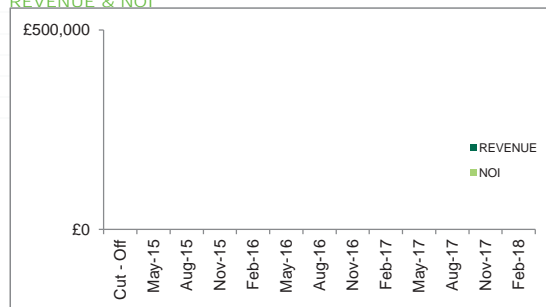
HISTORICAL PERFORMANCE - WESTMINSTER HOTELS (3M TRAILING)

DATE	OCCUPANCY	REVENUE	NOI	MARKET VALUE
Cut - Off				
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Nov-15				
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Nov-17				
Feb-18				

OCCUPANCY



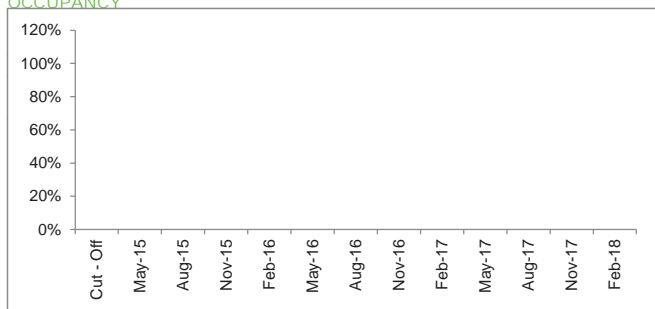
REVENUE & NOI



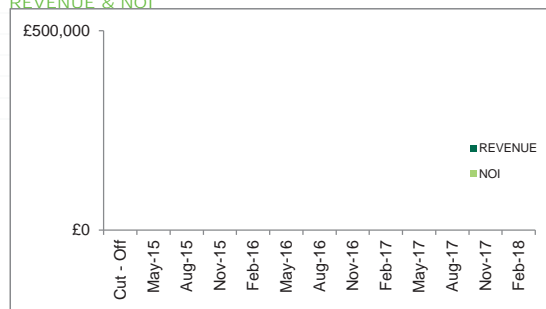
HISTORICAL PERFORMANCE - WESTMINSTER HOTELS (12M TRAILING)

DATE	OCCUPANCY	REVENUE	NOI	MARKET VALUE
Cut - Off				
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OCCUPANCY



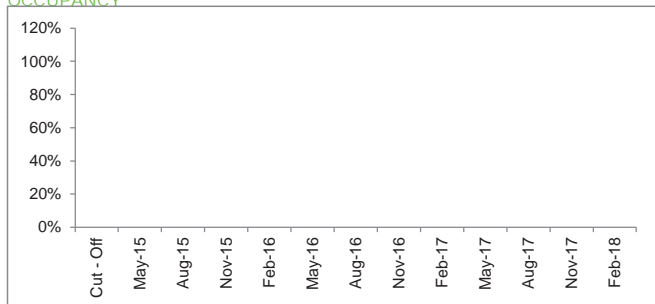
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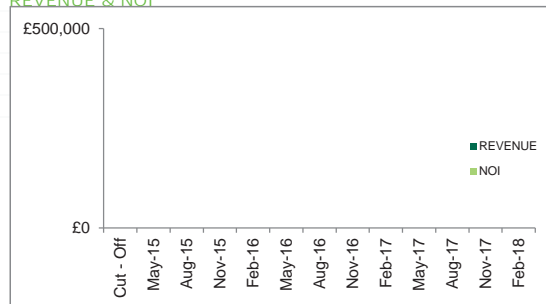
HISTORICAL PERFORMANCE - AMSTERDAM (3M TRAILING)

DATE	OCCUPANCY	REVENUE	NOI	MARKET VALUE
Cut - Off				
May-15				
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OCCUPANCY



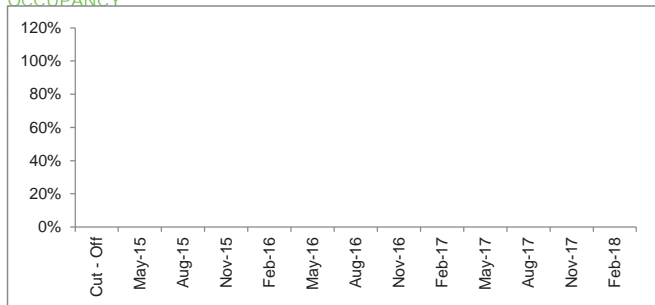
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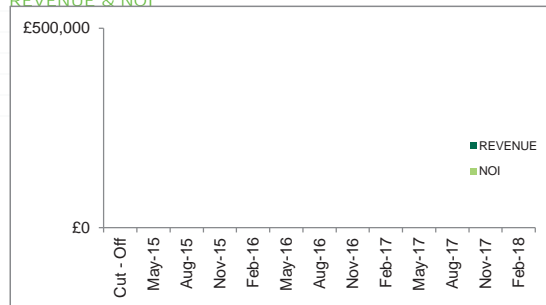
HISTORICAL PERFORMANCE - AMSTERDAM (12M TRAILING)

DATE	OCCUPANCY	REVENUE	NOI	MARKET VALUE
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May-15				
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Nov-16				
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May-17				
Aug-17				
Nov-17				
Feb-18				

OCCUPANCY



REVENUE & NOI



COMMENTARY

Some commentary on major events e.g.. repayments/property disposals, major capex, insurance events, covenant breaches, loan default.

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