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Opera Finance (CMH) p.l.c.

(Incorporated with limited liability in Ireland with registration number 411564)

€375,000,000 Commercial Mortgage Backed Floating Rate Notes due 2015

Opera Finance (CMH) p.l.c. (the **Issuer**) will issue the €250,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2015 (the **Class A Notes**), the €50,000,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2015 (the **Class B Notes**), the €40,000,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2015 (the **Class C Notes**) and the €35,000,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2015 (the **Class D Notes** and, together with the Class A Notes, the Class B Notes and the Class C Notes, the **Notes** and each, a **Note**) on 15 February 2006 (or such later date as the Issuer may agree with the Note Arranger, the Lead Manager and Sole Bookrunner and the Manager (each as defined below) (the **Closing Date**)).

This **Offering Circular** constitutes a prospectus (the **Prospectus**) for the purposes of Directive 2003/71/EC (the **Prospectus Directive**). References throughout this document to the "Offering Circular" shall be taken to read "Prospectus" for such purpose. Application has been made to the Irish Financial Services Regulatory Authority, as a constituent part of the Central Bank and Financial Services Authority of Ireland (the **Financial Regulator in Ireland**), as competent authority under the Prospectus Directive, for the Prospectus to be approved. The approval from the Financial Regulator in Ireland relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange Limited (the **Irish Stock Exchange**) or other regulated markets for the purposes of Directive 93/22/EEC. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange (the **Official List**) and to trading on its regulated market.

The Notes are expected, on issue, to be assigned the relevant ratings set out opposite the relevant class in the table below by Fitch Ratings Ltd. (**Fitch**) and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (**S&P** and together with Fitch, the **Rating Agencies** and each a **Rating Agency**). **A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by one or more of the assigning rating organisations.** The ratings from the Rating Agencies only address the likelihood of timely receipt by any Noteholder of interest on the Notes and the likelihood of receipt by any Noteholder of principal of the Notes by the Final Maturity Date (as defined below).

| Class | Initial Principal Amount | Margin per cent. | Fitch | S&P |
|--------------|---------------------------------|-------------------------|--------------|----------------|
| Class A | €250,000,000 | 0.19 | AAA | AA |
| Class B | €50,000,000 | 0.30 | AA | AA |
| Class C | €40,000,000 | 0.50 | A | A |
| Class D | €35,000,000 | 0.80 | BBB | BBB |

Interest on the Notes will be payable quarterly in arrears in euro on 15 January, 15 April, 15 July and 15 October in each year (subject to adjustment for non-business days) (each, an **Interest Payment Date**). The first Interest Payment Date will be the Interest Payment Date falling in April 2006. The interest rate applicable to each class of Notes from time to time will be determined by reference to the Euro interbank offered rate for three-month euro deposits (or, in respect of the first interest period, a linear interpolation of the interest rate for two- and three-month euro deposits) (**EURIBOR**, as determined in accordance with Condition 5.3) plus the relevant Margin. Each Margin will be as set out in the table above.

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

All Notes will be secured by the same security, subject to the priorities described in this Offering Circular. Notes of each class will rank *pari passu* with other Notes of the same class. Unless previously redeemed in full, the Notes of each class will mature on the Interest Payment Date falling in January 2015 (the **Final Maturity Date**). The Notes will be subject to mandatory redemption before such date in the specific circumstances and subject to the conditions more fully set out under "Transaction Summary – Principal features of the Notes".

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**), and are subject to U.S. tax law requirements. The Notes are being offered by the Issuer only to persons who are not U.S. Persons (as defined in Regulation S under the Securities Act (**Regulation S**)) in offshore transactions in reliance on Regulation S (or otherwise pursuant to transactions exempt from the registration requirements of the Securities Act) and in accordance with applicable laws.

The Notes of each class will each initially be represented on issue by a temporary global note in bearer form (each, a **Temporary Global Note**), without interest coupons attached, which will be deposited on or about the Closing Date with a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System (**Euroclear**), and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**). Each Temporary Global Note will be exchangeable for interests in a permanent global note (each, a **Permanent Global Note**), without interest coupons attached, not earlier than 40 days after the Closing Date (provided that certification of non-U.S. beneficial ownership has been received). Ownership interests in the Temporary Global Notes and the Permanent Global Notes (together, 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. Interests in the Permanent Global Notes will be exchangeable for definitive Notes in bearer form only in certain limited circumstances as set forth therein.

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

EUROHYPO

Note Arranger

MORGAN STANLEY

Lead Manager and Sole Bookrunner

DAVY

Manager

The date of this Offering Circular is 2 February 2006

THE NOTES AND INTEREST THEREON WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES WILL NOT BE OBLIGATIONS OR RESPONSIBILITIES OF, NOR WILL THEY BE GUARANTEED BY, EUROHYPO AKTIENGESELLSCHAFT (**EUROHYPO**) (IN ANY CAPACITY), THE LEAD MANAGER AND SOLE BOOKRUNNER, THE MANAGER, THE SERVICER, THE SPECIAL SERVICER, THE TRUSTEE, THE SECURITY AGENT, THE SENIOR FACILITY AGENT, THE JUNIOR FACILITY AGENT, THE ISSUER CORPORATE SERVICES PROVIDER, THE ISSUER SHARE TRUSTEE, THE OPTION SHARE TRUSTEE, THE PAYING AGENTS, THE AGENT BANK, THE LIQUIDITY BANK, THE HEDGE COUNTERPARTIES, THE JUNIOR LENDER, THE BORROWER, THE PROPCOS, THE PROPHOLDCOS, THE OLD PROPCOS, INTERMEDIATE HOLDCO, INTERMEDIATE PARENT, CMH, OPTIONCO, OPTION HOLDCO, OPTION GRANTCO, THE SUBORDINATED LENDERS, MANAGEMENTCO, THE BORROWER ACCOUNT BANK, THE COLLECTION ACCOUNT BANKS OR THE ACCOUNT BANK OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY OF THEM.

The Issuer accepts responsibility for the information (other than the information set out in the paragraph immediately below) contained in this Offering Circular. To the best of the knowledge and belief of the Issuer, the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Borrower accepts responsibility for the information contained in this Offering Circular under the sections entitled "*Transaction Summary – Key characteristics of the Properties*", "*The Borrower*" and "*Description of the Properties*" provided that in connection with the section headed "*Description of the Properties*" the Borrower accepts responsibility only for the correct extraction from the Initial Valuation (or from any other third party report or survey) of any information reflecting the expression of an opinion by the Valuer (or any other consultant, surveyor or otherwise) with respect to the Portfolio (such as the market value, net rental income used in the valuation and the estimated rental value of the Portfolio) and any other information extracted from the Initial Valuation (or such other report or survey) which is not factual. To the best of the knowledge and belief of the Borrower (which has taken all reasonable care to ensure that such is the case) such information, as described above, is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is or has been authorised to give any information or to make any representation in connection with the issue and sale of the Notes other than those contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, Eurohypo (in any capacity), the Lead Manager and Sole Bookrunner, the Manager, the Servicer, the Special Servicer, the Security Agent, the Senior Facility Agent, the Junior Facility Agent, the Trustee, the Issuer Corporate Services Provider, the Issuer Share Trustee, the Option Share Trustee, the Options Corporate Services Provider, the Paying Agents, the Agent Bank, the Liquidity Bank, the Hedge Counterparties, the Junior Lender, the Borrower, the PropCos, the PropHoldCos, the Old PropCos, Intermediate HoldCo, the Intermediate Parent, CMH, the OptionCo, Option HoldCo, Option GrantCo, the Subordinated Lenders, ManagementCo, the Borrower Account Bank, the Collection Account Banks or the Account Bank or any of their respective affiliates or advisers. Neither the delivery of this Offering Circular nor any sale, allotment or solicitation made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been any change in the affairs of the Issuer or in any of the information contained herein since the date of this document or that the information contained in this document is correct as of any time subsequent to its date. Save for obligations of Eurohypo in its capacity as Servicer, Eurohypo expressly does not undertake to review the Senior Loan or the Properties during the life of the Notes, nor to advise any investor in the Notes of any information coming to its attention.

Neither this Offering Circular nor any other information supplied in connection with the Notes should be considered as a recommendation by Eurohypo or the Lead Manager and Sole Bookrunner or the Manager that any recipient of this Offering Circular should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation and appraisal of the creditworthiness of the Issuer.

Other than the approval by the Financial Regulator in Ireland of this Offering Circular as a prospectus in accordance with the requirements of the Prospectus Directive and relevant 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 regulated market of the Irish Stock Exchange and the delivery of a copy of this Offering Circular to the Registrar of Companies in Ireland for registration in accordance with the

regulations implementing the Prospectus Directive in Ireland, no action has been, nor will be taken to permit a public offering of the Notes or the distribution of this Offering Circular in any jurisdiction. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular (or any part hereof) comes are required by the Issuer, the Note Arranger, the Lead Manager and Sole Bookrunner and the Manager to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of the Notes and distribution of this Offering Circular, see "*Subscription and Sale*" below.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Lead Manager and Sole Bookrunner or any of them to subscribe for or purchase any of the Notes.

All references in this document to **euro**, **Euro** or **€** are to the lawful currency for the time being of Ireland, as introduced at the commencement of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended by the Treaty of Amsterdam.

Unless the context otherwise indicates or requires, a reference to a **Condition** in this document shall be a reference to a Condition of the Notes.

In connection with this issue Morgan Stanley & Co. International Limited (in this capacity, the *Stabilising Manager*) or any person acting for it may over-allot Notes (provided that, the aggregate principal amount of the Notes of each class allotted does not exceed 105 per cent. of the aggregate Principal Amount Outstanding of the relevant class of Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the *Stabilising Manager* or any person acting for it will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.

TABLE OF CONTENTS

| | Page |
|---|------|
| TRANSACTION SUMMARY..... | 5 |
| RISK FACTORS..... | 28 |
| THE ISSUER..... | 46 |
| THE BORROWER..... | 48 |
| DESCRIPTION OF THE PROPERTIES..... | 50 |
| VALUATION REPORTS..... | 56 |
| OBLIGOR TRANSACTION DOCUMENTS AND CASHFLOWS..... | 64 |
| ISSUER TRANSACTION DOCUMENTS AND CASHFLOWS..... | 93 |
| SERVICING..... | 101 |
| ACCOUNT BANK..... | 109 |
| LIQUIDITY BANK..... | 110 |
| ESTIMATED AVERAGE LIVES OF THE NOTES AND ASSUMPTIONS..... | 111 |
| USE OF PROCEEDS..... | 112 |
| TERMS AND CONDITIONS OF THE NOTES..... | 113 |
| IRELAND TAXATION..... | 137 |
| SUBSCRIPTION AND SALE..... | 141 |
| GENERAL INFORMATION..... | 145 |
| DESCRIPTION OF THE PROPERTIES, THE PROPCOS AND THE PROPHOLDCOS..... | 147 |
| INDEX OF DEFINED TERMS..... | 148 |

TRANSACTION SUMMARY

The information in this section does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular. Prospective Noteholders are advised to read carefully, and to rely solely on, the detailed information appearing elsewhere in this Offering Circular in making any decision whether or not to invest in any Notes.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Offering Circular, unless otherwise stated. An index of defined terms is set out at the end of this Offering Circular.

Executive Summary

On the Closing Date, the Issuer will, pursuant to the terms of a loan agreement to be entered into on or about the Closing Date between, among others, the Issuer, CMH CMBS Borrower Limited (the **Borrower**) and the other Obligors (as defined below) (the **Senior Credit Agreement**), on-lend the proceeds of the issue of the Notes to the Borrower. The amounts advanced under the Senior Credit Agreement (the **Senior Loan**) will be divided into four tranches (the **Senior Loan Tranches** and, each a **Senior Loan Tranche**), as follows:

| | |
|--|-------------------------------------|
| €250,000,000 loan designated tranche A | (the Tranche A Senior Loan) |
| €50,000,000 loan designated tranche B | (the Tranche B Senior Loan) |
| €40,000,000 loan designated tranche C | (the Tranche C Senior Loan) |
| €35,000,000 loan designated tranche D | (the Tranche D Senior Loan) |

On the Closing Date, the principal amount outstanding of each Class of Notes will correspond to the aggregate principal amount outstanding of the corresponding Senior Loan Tranche. The Borrower will, on the Closing Date, use the proceeds advanced by the Issuer under the Senior Credit Agreement, together with amounts advanced by a third party lender (the **Junior Lender**) pursuant to the Junior Credit Agreement (as defined below), to make 13 advances (each such advance a **PropCo Loan** and, together the **PropCo Loans**) to the PropCos (as defined below) in each case pursuant to the terms of an intercompany loan agreement to be dated on or about the Closing Date between the Borrower and the PropCos (the **PropCo Loan Agreement**). Each PropCo will enter into a subordinated loan agreement with the relevant Old PropCo (as defined below), to be dated on or about the Closing Date (each such loan agreement a **Subordinated Loan Agreement** and, together the **Subordinated Loan Agreements**).

On the Closing Date, the PropCos will use the proceeds of the PropCo Loans and the proceeds advanced under the relevant Subordinated Loan Agreement (each such advance a **Subordinated Loan** and, together the **Subordinated Loans**) to acquire 15 properties located in Ireland (each a **Property** and, together the **Portfolio**).

On the Closing Date, the Borrower will deposit an amount in the Deposit Account (as defined below), such amount being used, together with a subsequent advance under the Junior Credit Agreement, to make a further PropCo Loan which, together with the proceeds of any Subordinated Loan, will be used by the relevant PropCo to acquire the MHC Building (as defined below) on practical completion of the relevant property and entry into of an occupational lease in respect of such property. Practical completion is due to occur by the end of February 2006. All references in this Offering Circular to the Portfolio, including the Valuation, have, except where stated to the contrary, been based on the assumption that practical completion had occurred on or prior to the Closing Date and that the MHC Building is included in the Portfolio.

The obligations of the Borrower to the Obligor Secured Creditors (as defined below) (including the obligations of the Borrower under the Senior Credit Agreement) will be jointly and severally guaranteed by the Obligors (other than the Borrower). Any payments to be made by an Obligor in respect of the Junior Finance Documents (as defined below) will be subordinated to payments in respect of the Finance Documents (including the Senior Credit Agreement).

A description of each of the Properties is set out under "*Description of the Properties, the PropCos and the PropHoldCos*" below.

All amounts payable by the occupational tenants occupying the Properties pursuant to each Lease (the **Rental Income**) (other than amounts representing certain tenant contributions, service charges and

insurance premia) will provide the primary source of funds for the Obligors to make payments of interest and certain other payments due under the Senior Credit Agreement.

Interest will be payable under each Senior Loan Tranche at a floating rate, fixed on the day falling two TARGET Business Days prior to each Interest Payment Date, calculated with reference to EURIBOR for three-month euro deposits plus a separate margin. The Borrower will enter into and will be required, under the terms of the Senior Credit Agreement, to maintain (subject to certain limits) hedging arrangements with a view to ensuring that it will be able to continue to make payments of interest under the Senior Loan notwithstanding variations in the floating rate of interest payable by it. See further "*The Obligor Transaction Documents and Cashflow – Senior Credit Agreement – Hedging Obligations*" below. Subject in each case to certain exceptions, as more particularly set out under "*The Issuer Transaction Documents and Cash-flows*" below, amounts received by the Issuer under the Senior Credit Agreement will be used by the Issuer to make payments of, among other things, principal and interest due in respect of the Notes.

The PropCos will direct all tenants to pay all Rental Income (other than amounts in respect of insurance premia which may be paid directly to the relevant insurance broker) into the Rent Account in the name of the Borrower or into trust accounts held in the name of existing affiliates of Treasury Group Holdings, an Old PropCo or Cubette Limited (**Cubette**) or, in respect of certain Properties, a trust account of the relevant Managing Agent. Any Rental Income paid into such trust accounts will be swept on a weekly basis into the Rent Account. The Security Agent will be given sole signing rights in respect of the Rent Account.

Each Obligor will, as applicable, grant security in respect of the obligations of the Obligors (the **Obligor Secured Obligations**) under the Finance Documents, the Junior Finance Documents, the Property Management Outsourcing Agreement, the Obligor Corporate Services Agreement and the Funding Agreement (together the **Obligor Transaction Documents** and, each, an **Obligor Transaction Document**) including a first priority mortgage over the relevant Property and certain other security interests (including but not limited to security over its leases, its rental and other cashflows, its interest in any bank account, a floating charge and associated Related Security) (the **Loan Security**) to Eurohypo (in its capacity as Security Agent) who will hold the Loan Security on trust for, among others, the Issuer and any other lenders under the Senior Credit Agreement (together with the Issuer, the **Senior Lenders**) and the other Obligor Secured Creditors (as defined below).

The advance (the **Junior Loan**) to be made by the Junior Lender pursuant to the credit agreement to be entered into on or before the Closing Date between, among others, the Junior Lender, the Borrower and the Security Agent (the **Junior Credit Agreement**) will be subject to the terms of an intercreditor agreement (the **Intercreditor Agreement**). The Intercreditor Agreement will subordinate the claims of the Junior Lender to the Senior Lenders and the Subordinated Lenders to the Senior Lenders and the Junior Lender, as more fully set out in "*Obligor Transaction Documents and Cashflows – The Intercreditor Agreement*".

The Borrower, the PropCos, the PropHoldCos and Intermediate HoldCo (together, the **Obligors** and, each an **Obligor**) will each be special purpose entities whose activities will, pursuant to the terms of the Senior Credit Agreement, be limited to ownership and management of their respective assets and related activity, as more fully set out in "*The Obligor Transaction Documents and Cashflow – Senior Credit Agreement – Undertakings*" below.

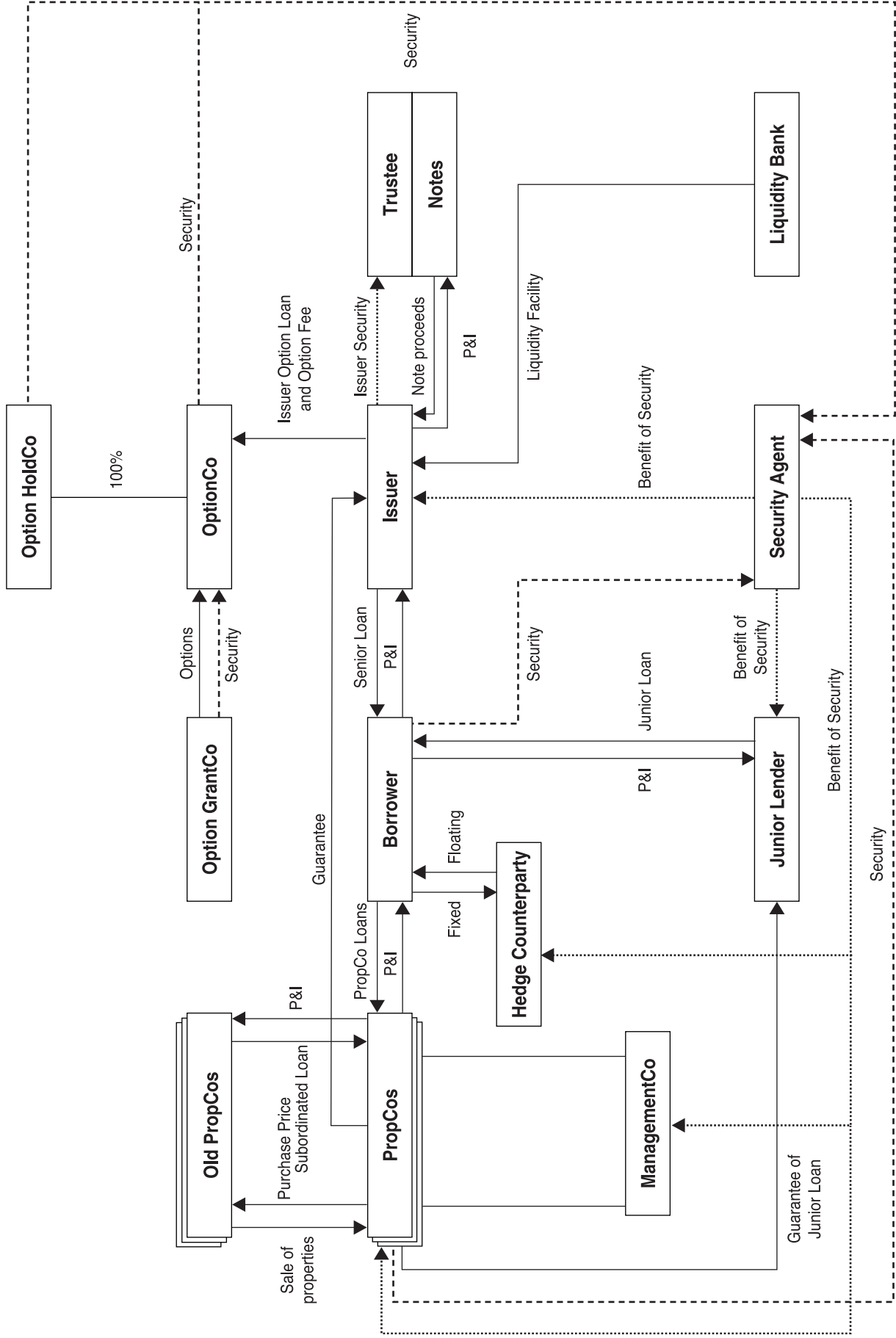
Each PropCo will issue 100 Class A Shares and 50 Class B Shares. The Class A Shares will be held by Intermediate HoldCo. The Class B Shares will be held by the relevant PropHoldCo. Each PropHoldCo will be a wholly owned subsidiary of Option GrantCo, which, pursuant to the terms of a share option agreement (the **Option Agreement**) will grant options to OptionCo in respect of its shares in each PropHoldCo. Each option may be exercised by OptionCo (as defined below) on the occurrence of a Trigger Event (as defined below). OptionCo and Option HoldCo will each covenant to the Security Agent by way of a deed (the **Option Exercise Deed**) to exercise or procure the exercise, as applicable, of each option on the occurrence of a Trigger Event. Option GrantCo will grant security over its shares in each PropHoldCo to OptionCo in respect of its obligations under the Option Agreement.

Property management and certain corporate services will be provided to the Obligors, the Intermediate Parent and Option GrantCo by ManagementCo (which in turn will, in respect of certain of the Properties, contract with third party managing agents (the **Managing Agents**, and each a **Managing Agent**)), each of which will be obliged to enter into Duty of Care Agreements (as defined below) in

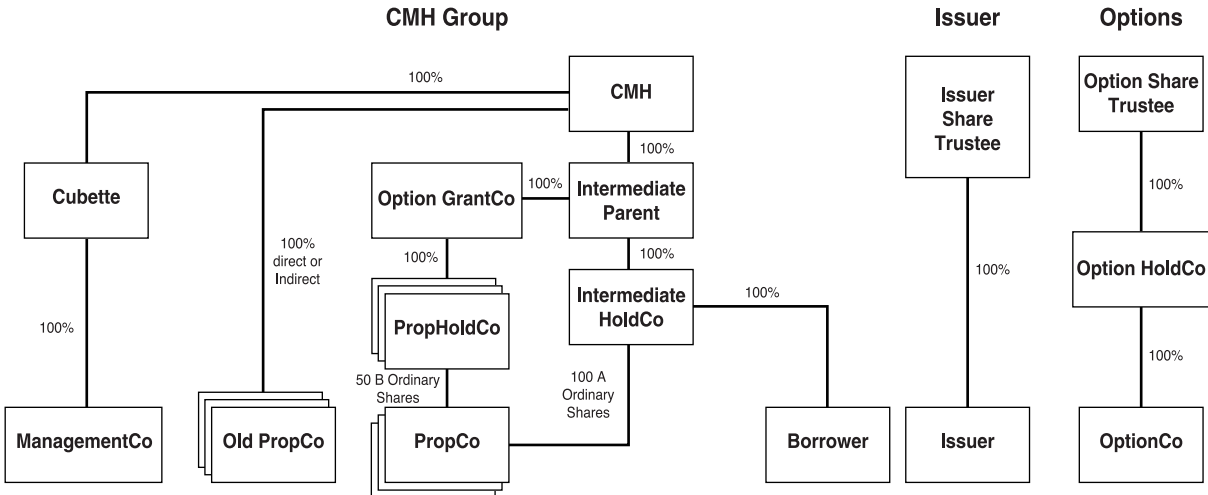
respect of the management of the relevant Properties. See "*The Obligor Transaction Documents – Property Management Outsourcing Agreement*" below.

As security for its obligations under (amongst other things) the Notes, the Issuer will grant fixed and floating security interests over all its assets and undertaking (which comprise, primarily, its rights in respect of the Senior Loan) (the **Issuer Security**) in favour of the Trustee under the Issuer Deed of Charge. The Trustee will hold the benefit of this security on trust for itself, the Noteholders and the Other Issuer Secured Creditors. The Issuer Deed of Charge will determine the priority of the claims of the Issuer Secured Creditors. See further "*Issuer Transaction Documents and Cashflows – Cashflows*" below.

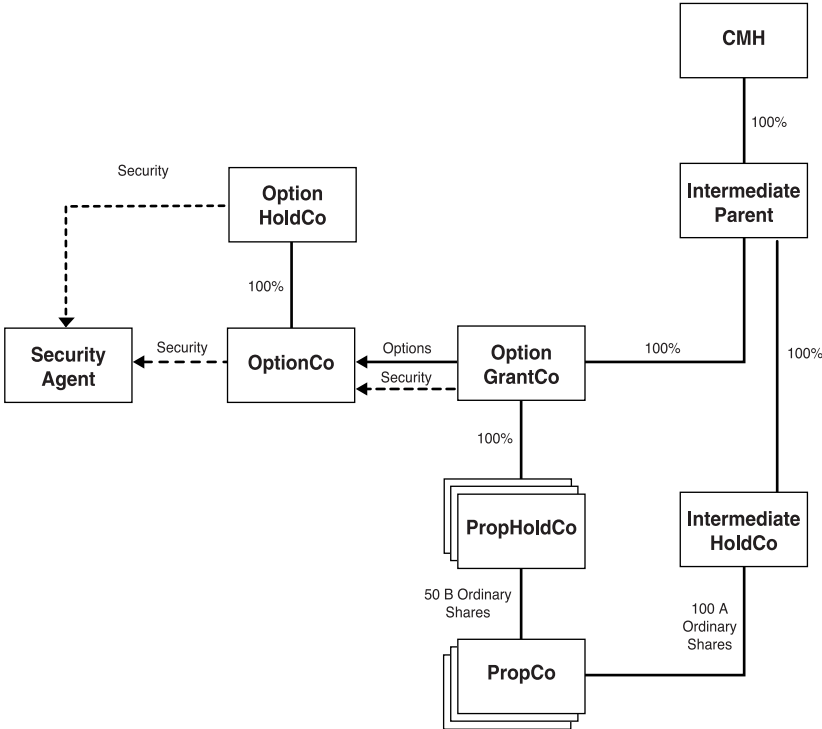
Transaction Structure Diagram



Corporate Structure diagram



Option Structure Diagram



KEY TRANSACTION PARTIES

- Issuer:** Opera Finance (CMH) p.l.c. (the **Issuer**) is a public company incorporated in Ireland with limited liability. The Issuer's company registration number is 411564. The entire issued share capital of the Issuer is held by or on behalf of the Issuer Share Trustee and its nominees.
- The Issuer will also act as initial lender (the **Original Senior Lender** and, together with any other lender in respect of the Senior Loan, the **Senior Lender** and each a **Senior Lender**) pursuant to the Senior Credit Agreement.
- The Issuer will use the proceeds of the Notes to make a loan (the **Senior Loan**) to the Borrower (as defined below) pursuant to a credit agreement to be entered into on or about the Closing Date between, amongst others, the Issuer, the Obligors, the Senior Facility Agent and the Security Agent (the **Senior Credit Agreement**).
- Borrower:** CMH CMBS Borrower Limited (**Borrower**) is a private company incorporated in Ireland with limited liability and company registration number 413615. The entire issued share capital of the Borrower is held by Intermediate HoldCo (as defined below).
- The Borrower will use the proceeds of the Senior Loan and the Junior Loan (together, the **Borrower Loans**) to make a loan (each a **PropCo Loan** and, together, the **PropCo Loans**) to each PropCo (as defined below) subject to, in the case of the PropCo Loan to be made in respect of the MHC Building (as defined below) practical completion of the MHC Building and entry into of an occupational lease in respect of such Property in accordance with the terms of the Senior Credit Agreement (the **MHC Completion Date**). Prior to the MHC Completion Date, money advanced to the Borrower in respect of the MHC Building under the Senior Credit Agreement will be deposited in an escrow account of the Borrower. The Borrower will make an additional drawing under the Junior Loan Agreement on the MHC Completion Date.
- The Borrower will grant security in favour of the Security Agent pursuant to the Security Agreement as security for the Obligor Secured Obligations.
- Junior Lender:** Anglo Irish Bank Corporation p.l.c. (the **Junior Lender**), a bank incorporated under the laws of Ireland acting through its branch at St Stephens Green, Dublin 2, Ireland.
- The Junior Lender will make a loan (the **Junior Loan**) to the Borrower pursuant to a credit agreement to be entered into on or about the Closing Date between, amongst others, the Junior Lender, the Obligors, the facility agent in respect of the Junior Loan (the **Junior Facility Agent**) and the Security Agent (the **Junior Credit Agreement**). The Junior Loan will be secured on the same security as the Senior Loan.
- Subordinated Lenders:** Each of the Old PropCos (as defined below) acting in its capacity as a **Subordinated Lender** and, together, the **Subordinated Lenders** will make a loan (each a **Subordinated Loan** and, together, the **Subordinated Loans**), to each PropCo (as defined below) pursuant to a loan agreement to be entered into on or about the Closing Date between, amongst others, the relevant Subordinated Lender, the relevant PropCo and the Security Agent (each such loan agreement a **Subordinated Loan Agreement** and, together, the **Subordinated Loan Agreements**).

PropCos: Each of the private companies incorporated in Ireland with limited liability and listed under the heading "PropCos" in "Description of the Properties, the PropCos and PropHoldCos" below, each such company a **PropCo** and, together, the **PropCos**.

Each PropCo will use the proceeds of the relevant PropCo Loan and Subordinated Loan, on or about the Closing Date or, in respect of the MHC Building on the MHC Completion Date, to acquire its interest in the relevant Property from the Old PropCo (as defined below).

The PropCos will own the Properties and will grant security over, among other things, such Properties in favour of the Security Agent pursuant to the Security Agreement as security for the Obligor Secured Obligations.

Each PropCo will have 100 Class 'A' Ordinary Shares (the **Class A Shares**) and 50 Class 'B' Ordinary Shares (the **Class B Shares**).

The Class A Shares in each PropCo will be held by Intermediate HoldCo and the Class B Shares in each PropCo will be held by the relevant PropHoldCo.

PropHoldCo: Each of the private companies incorporated in Ireland with limited liability listed under the heading "PropHoldCos" in "Description of the Properties, the PropCos and PropHoldCos" below, each such company a **PropHoldCo** and, together, the **PropHoldCos**.

Each PropHoldCo will grant security in respect of, among other things, its shares in the relevant PropCo, in favour of the Security Agent pursuant to the Security Agreement as security for the Obligor Secured Obligations.

The entire issued share capital of each PropHoldCo will be held by Option GrantCo which will grant options and security in favour of OptionCo in respect of such shares.

Old PropCos: Each of the private companies incorporated in Ireland with limited liability, which owns each of the freehold and/or the leasehold interest in the Properties prior to the Closing Date, (each such company an **Old PropCo** and, together, the **Old PropCos**).

Each Old PropCo will on or prior to the Closing Date transfer its interest in the Properties to the relevant PropCo.

Each of the Old PropCos is owned directly or indirectly by CMH (as defined below).

Each Old PropCo will make a Subordinated Loan to the relevant PropCo on or about the Closing Date or, in respect of the MHC Building, on the MHC Completion Date.

CMH: Castle Market Holdings Limited (**CMH**) is a private company incorporated in Ireland with limited liability and company registration number 221889.

CMH will grant a limited share charge in respect of its shares in the Intermediate Parent and Cubette to the Security Agent in respect of its obligations under the Tax Deed of Covenant.

CMH Group Company means a member of the group of companies to which CMH belongs.

Intermediate HoldCo: Castle Market CMBS (Holdings) Limited is a private company incorporated in Ireland with limited liability and company registration number 413614.

The entire issued share capital of Intermediate HoldCo is held by the Intermediate Parent.

Intermediate Parent

Cubette CMBS (Holdings) Limited (the **Intermediate Parent**) is a private company incorporated in Ireland with limited liability and company registration number 413613.

The Intermediate Parent will grant a share charge in respect of its shares in Intermediate HoldCo and Option GrantCo to the Security Agent as security for the Obligor Secured Obligations.

Option GrantCo:

CMH CMBS Option (Holdings) Limited is a private company incorporated in Ireland with limited liability and company registration number 413616 (**Option GrantCo**).

Option GrantCo will grant options (the **Options** and each an **Option**) in favour of OptionCo (as defined below) pursuant to a share option agreement to be entered into on or about the Closing Date between Option GrantCo and OptionCo (the **Option Agreement**) to purchase the shares in each PropHoldCo on the occurrence of a Trigger Event (as defined below). Option GrantCo will additionally grant security over, amongst other things, the shares in each PropHoldCo to OptionCo in respect of its obligations under the Option Agreement.

The entire issued share capital of Option GrantCo is held by the Intermediate Parent.

OptionCo:

CMBS Investments I Limited is a private company incorporated in Ireland with limited liability and company registration number 414148 (**OptionCo**).

OptionCo will covenant in favour of the Security Agent, the Trustee and the Issuer to exercise each Option on the occurrence of a relevant Trigger Event pursuant to the terms of an exercise deed to be executed on or about the Closing Date by the Security Agent, the Trustee, OptionCo, Option HoldCo and the Issuer (the **Option Exercise Deed**). OptionCo will grant security over, among other things, its rights under the Option Agreement in favour of the Security Agent in respect of its obligations under the Option Exercise Deed.

The entire issued share capital of OptionCo will be held by Option HoldCo.

Option HoldCo:

CMBS Investments I (Holdings) Limited is a private company incorporated in Ireland with limited liability and company registration number 414147 (**Option HoldCo**).

Option HoldCo will covenant in favour of the Issuer, the Trustee and the Security Agent to procure that OptionCo exercises each Option on the occurrence of a relevant Trigger Event. Option HoldCo will grant security over, among other things, its shares in OptionCo to the Security Agent in respect of its obligations under the Option Exercise Deed.

The entire issued share capital of Option HoldCo is held by the Option Share Trustee.

Neither OptionCo nor Option HoldCo will be related to CMH, a CMH Group Company or the Issuer.

Eurohypo:

Eurohypo Aktiengesellschaft, London Branch, whose principal office is at 4th Floor, 90 Long Acre, London WC2E 9RA (**Eurohypo**) will act in various capacities in respect of the transactions described in this Offering Circular. These are:

- (a) as facility agent under the Senior Credit Agreement (the **Senior Facility Agent**);
- (b) as trustee of the Obligor Security (as defined below) for, among others, itself, the Issuer, ManagementCo, the Hedge Counterparties and the Junior Lender (the **Security Agent**);
- (c) as arranger in respect of the Senior Credit Agreement (the **Loan Arranger**);
- (d) as servicer (the **Servicer**) and, if required, special servicer (the **Special Servicer**), on behalf of the Issuer pursuant to the Servicing Agreement;
- (e) as arranger in respect of the issue of the Notes (the **Note Arranger**); and
- (f) as counterparty under the hedging arrangements in respect of the Senior Loan (a Senior Hedge Counterparty as defined below).

ManagementCo:

CMH CMBS Management Limited is a private company incorporated in Ireland with limited liability and company registration number 413617 (**ManagementCo**).

ManagementCo will pursuant to the terms of a management agreement to be entered into on or about the Closing Date between the PropCos and ManagementCo (the **Property Management Outsourcing Agreement**) provide certain property management services to the PropCos.

ManagementCo will pursuant to the terms of a corporate services agreement to be entered into on or about the Closing Date (the **Obligor Corporate Services Agreement**) provide certain corporate administration and secretarial services to the Borrower, the PropCos, the PropHoldCos, Intermediate HoldCo, the Intermediate Parent and Option GrantCo.

The entire issued share capital of ManagementCo is held by Cubette Limited, a private company with limited liability incorporated in Ireland (**Cubette**). The entire issued share capital of Cubette is held directly or indirectly by CMH.

Trustee:

HSBC Trustee (C.I.) Limited whose principal office is at 1 Grenville Street, St. Helier, Jersey, JE4 9PF (the **Trustee**), will act under the Trust Deed as trustee for the holders of the Notes and under the Issuer Deed of Charge as trustee for the Noteholders and the Other Issuer Secured Creditors.

Principal Paying Agent and Agent Bank:

HSBC Bank plc, acting through its office at Level 24, 8 Canada Square, London, E14 5HQ, will be principal paying agent and agent bank under the Agency Agreement (in these capacities, the **Principal Paying Agent** and the **Agent Bank**).

Irish Paying Agent:

HSBC International Trust Services (Ireland) Limited, acting through its office at HSBC House, Harcourt Centre, Harcourt Street, Dublin 2, will act as paying agent in Ireland under the Agency Agreement (the **Irish Paying Agent**). The Irish Paying Agent, the Principal Paying Agent and any other paying agent(s) which may be appointed pursuant to the Agency Agreement are together referred to as the **Paying Agents**.

Account Bank:

HSBC Bank plc acting through its office at Level 24, 8 Canada Square, London, E14 5HQ will act as account bank for the Issuer under the Issuer Account Bank Agreement (in this capacity, the **Account Bank**).

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| Borrower Account Bank: | Allied Irish Bank Corporation p.l.c. acting through its office at Bank Centre, Ballsbridge, Dublin 4 will act as account bank for the Borrower and the Obligors (the Borrower Account Bank) pursuant to the terms of an account bank agreement to be entered into on or about the Closing Date between the Obligors, the Borrower Account Bank, the Security Agent and ManagementCo (the Obligor Account Bank Agreement). |
| Borrower Transaction Account Bank: | HSBC Bank plc, acting through its office at Level 24, 8 Canada Square, London, E14 5HQ, will act as account bank for the Borrower in respect of the Borrower Transaction Account (as defined below) under the Borrower Transaction Account Agreement (in this capacity, the Borrower Transaction Account Bank). |
| Liquidity Bank: | Lloyds TSB Bank plc, acting through its office at Faryners House, 25 Monument Street, London EC3R 8BQ, will provide the Liquidity Facility to the Issuer under the Liquidity Facility Agreement (in this capacity, the Liquidity Bank). |
| Issuer Corporate Services Provider: | Structured Finance Management (Ireland) Limited (the Issuer Corporate Services Provider) will provide certain corporate administration and company secretarial services to the Issuer under a corporate services agreement (the Issuer Corporate Services Agreement). |
| Issuer Share Trustee: | SFM Corporate Services Limited (the Issuer Share Trustee) will hold its interest in the shares of the Issuer on trust for charitable purposes under the terms of a share trust deed dated 1 February 2006 (the Issuer Share Trust Deed). |
| Options Corporate Services Provider: | Structured Finance Management (Ireland) Limited (the Options Corporate Services Provider) will provide certain corporate administration and company secretarial services to OptionCo and Option HoldCo under a corporate services agreement (the Option Corporate Services Agreement). |
| Option Share Trustee: | SFM Corporate Services Limited (the Option Share Trustee) will hold its interest in the shares of Option HoldCo on trust for charitable purposes under the terms of a share trust deed dated 1 February 2006 (the Option Share Trust Deed). |
| Senior Hedge Counterparty: | Eurohypo Aktiengesellschaft, London Branch (acting in its capacity as a Senior Hedge Counterparty, and, along with any other party appointed from time to time pursuant to the Senior Credit Agreement to act as a counterparty under the Senior Hedging Arrangements in respect of the Senior Loan, the Senior Hedge Counterparties and each a Senior Hedge Counterparty), will enter into separate interest rate swap agreements with the Borrower in respect of the Borrower's obligations under the Senior Loan. The Senior Hedge Counterparties are, together with the hedge counterparties in respect of the Junior Loan (the Junior Hedge Counterparties and, each a Junior Hedge Counterparty) referred to as the Hedge Counterparties and each a Hedge Counterparty . |

Key characteristics of the Senior Credit Agreement

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| General: | The Senior Loan will constitute limited recourse obligations of the Borrower and the other Obligors as to principal and other obligations (other than interest under the Finance Documents) and full recourse obligations of the Borrower but limited recourse obligations of the other Obligors as to interest and will be secured by, among other things, a first legal mortgage over the Properties, |
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the Related Security and first fixed security over each Obligor's interests in any occupational leases, insurance policies, Senior Hedging Arrangements, bank accounts and rental and other cashflows in respect of the Properties, together with a floating charge over all its remaining assets.

The Senior Credit Agreement and related Finance Documents, including the Security Agreement, the Intermediate Parent Mortgages of Shares, the hedging arrangements in respect of the Senior Loan (the **Senior Hedging Arrangements**), the Subordination Agreement and the Intercreditor Agreement and as more comprehensively set out in the Senior Loan Agreement are together referred to as the **Finance Documents** and each a **Finance Document**. The Junior Credit Agreement and related finance documents including the hedging arrangements in respect of the Junior Loan (the **Junior Hedging Arrangements**) and as more comprehensively set out in the Junior Credit Agreement are together referred to as the **Junior Finance Documents** and each a **Junior Finance Document**.

Purpose of the Senior Loan:

The proceeds of the Senior Loan will, together with the proceeds of the Junior Loan, on or about the Closing Date or, in respect of the MHC Building, the MHC Completion Date, be applied by the Borrower (in its capacity as on-Lender) in making the PropCo Loans to the PropCos and in paying any fees, costs and expenses incurred by Intermediate Parent and the Obligors in connection with the securitisation described in this Offering Circular.

Prior to the MHC Completion Date amounts advanced under the Senior Credit Agreement in respect of the MHC Building will be deposited in the Deposit Account (as defined below). The Borrower will make a further drawing under the Junior Loan in respect of the MHC Building on the MHC Completion Date.

Interest rate:

The Senior Loan will bear interest calculated as the sum of EURIBOR (as defined under the Senior Credit Agreement) plus a specified margin as follows:

- (a) in respect of the Tranche A Senior Loan, 0.19 per cent. per annum;
- (b) in respect of the Tranche B Senior Loan, 0.30 per cent. per annum;
- (c) in respect of the Tranche C Senior Loan, 0.50 per cent. per annum; and
- (d) in respect of the Tranche D Senior Loan, 0.80 per cent. per annum.

Interest due on the Senior Loan will be paid from amounts standing to the credit of the Rent Account subject to and in accordance with the Borrower Pre-Event of Default Priority of Payments or the Borrower Post-Event of Default Priority of Payments, as applicable, set out in the Senior Credit Agreement. See "*Obligor Transaction Documents and Cashflows – Borrower Account*".

If, on any Interest Payment Date, there are insufficient amounts standing to the credit of the Rent Account to pay any amounts in respect of interest any such interest that would otherwise be due on that Interest Payment Date will be deferred until the next Interest Payment Date on which there are sufficient funds standing to the credit of the Rent Account to meet that shortfall. No Loan Event of Default will occur in such circumstances.

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| Interest payments: | Interest under the Senior Loan will be paid quarterly in arrears on 15 January, 15 April, 15 July and 15 October in each year (each, an Interest Payment Date) in respect of successive interest periods (each, an Interest Period). |
| Issuer Margin: | Pursuant to the Senior Credit Agreement, the Issuer will earn a mandated profit (the Issuer Margin) in an amount equal to €1,000 per annum. The Issuer Margin will be payable by the Borrower quarterly in arrears to the Issuer Share Capital Proceeds Account. |
| Issuer Expenses Amount | <p>As part of the lending arrangements, the Borrower will pay to the Issuer an amount per annum equal to the estimated expenses of the Issuer (the Standard Expense Amount), and, in certain circumstances, a further amount on each Interest Payment Date (the Additional Expenses), in each case representing certain fees, costs and expenses payable by the Issuer (the Issuer's Costs) on the corresponding Interest Payment Date.</p> <p>The Servicer will notify the Borrower on each Calculation Date of the amount of the Additional Expenses (if any) payable by the Borrower on the next following Interest Payment Date.</p> <p>The Standard Expense Amount and the Additional Expenses are together referred to as the Issuer Expenses Amount.</p> <p>The Issuer Expenses Amount will be payable quarterly in arrears.</p> |
| Repayment of the Loans: | Unless the Borrower has previously repaid the Senior Loan, it will be required to repay the Senior Loan in full on the Interest Payment Date falling on January 2013 (the Loan Maturity Date). |
| Optional prepayment: | <p>(a) The Borrower will be entitled to prepay any Senior Loan Tranche(s) in whole or in part (subject to a minimum of €5,000,000 and integral multiples of €1,000,000), upon giving not less than 15 days' prior written notice to the Senior Facility Agent. In the event that the Borrower fails to elect which of the Senior Loan Tranches it wishes to prepay, any prepayment will be applied first in prepayment of the Tranche D Senior Loan, secondly in prepayment of the Tranche C Senior Loan, thirdly in prepayment of the Tranche B Senior Loan and fourthly in prepayment of the Tranche A Senior Loan.</p> <p>(b) If the Borrower becomes aware that a tax payment or an increased cost is or will be required to be paid, to a Senior Lender, it may prepay the Senior Loan on the earlier of (i) the last day of the current Interest Period for the Senior Loan and (ii) the date specified in the notification for such prepayment.</p> <p>The Borrower will not be obliged to pay any prepayment fees on prepayment of all or part of the Senior Loan other than Prepayment Expenses payable as a result of that prepayment.</p> |
| Mandatory prepayment: | <p>Prepayment of all or part of the Senior Loan must be made, among other things:</p> <p>(a) if it becomes unlawful for a lender to perform its obligations under a Finance Document, or to fund or maintain its share in the Senior Loan;</p> <p>(b) on disposal of a Property, if the Borrower elects not to use the net disposal proceeds to acquire a substitute property to place into the Portfolio;</p> |

- (c) on compulsory purchase of a Property or any part of a Property or on receipt of compensation (net of tax and costs) by an Obligor under applicable planning legislation or as a result of any restriction on the use of a Property;
- (d) if major damage affects a Property, to the extent that the basis of settlement under the relevant insurance policy or the relevant lease does not require the relevant PropCo to apply the insurance proceeds towards replacing, restoring or reinstating the affected Property; and
- (e) if the MHC Completion Date has not occurred within nine months of the Closing Date;

and such prepayment must be applied in accordance with the priority of payments set out in "*Obligor Transaction Documents and Cashflows – Senior Credit Agreement – Mandatory Prepayments*".

In the event of prepayment of all or part of the Loan in any of the above circumstances, no prepayment fee will be payable by the Borrower except for Prepayment Expenses.

Finance Party means a Lender under the Senior Credit Agreement, a Senior Hedge Counterparty, the Loan Arranger, the Security Agent or the Senior Facility Agent.

Majority Lenders means, at any time, Senior Lenders:

- (a) whose share in the outstanding Senior Loan and whose undrawn commitments then aggregate 66 2/3 per cent. or more of the outstanding Senior Loan and the undrawn commitments of all the Lenders; or
- (b) if there is no Senior Loan then outstanding, whose undrawn commitments then aggregate 66 2/3 per cent. or more of the total commitments; or
- (c) if there is no Senior Loan then outstanding and the total commitments have been reduced to zero, whose commitments aggregated 66 2/3 per cent. or more of the total commitments immediately before the reduction.

Material Adverse Effect means a material adverse effect on the ability of the Obligors, taken as a whole, to perform their payment obligations under any Finance Document or to comply with the interest cover test set out in the Senior Credit Agreement.

Prepayment Expenses means, in relation to any prepayment of the Senior Loan, the amount (if any) of break costs which a lender is entitled to recover as compensation for prepayment of a loan, hedging termination or close out costs (including any costs incurred as a result of a requirement to reduce hedging exposure under the Finance Documents) and fees reasonably incurred in connection with that prepayment.

Representations and warranties:

The representations and warranties to be given by the Borrower and each other Obligor under the Senior Credit Agreement, as of the date of such Senior Credit Agreement, the date of the request by the Borrower for the Senior Loan, the date of drawdown and (subject to certain exceptions) the first day of each Interest Period, will include, among other things, warranties as follows:

- (a) due incorporation and authorisation;
- (b) (i) no event of default under the Senior Credit Agreement (a **Loan Event of Default**) or any event which would (with the expiry of any grace period, the giving of notice or the

making of any determination) constitute a Loan Event of Default, is outstanding or will result from the entry into or the performance of the transactions contemplated by the Transaction Documents;

- (ii) no default under any other document binding on an Obligor or its assets which has or is reasonably likely to have a Material Adverse Effect;
- (c) legality, validity and enforceability of, among other things, the Senior Credit Agreement and the Security Documents;
- (d) ownership and title to the Properties, in each case free from any security interests (other than those set out in the Security Documents, Related Security and any Report on Title);
- (e) ownership of the share capital in each Obligor;
- (f) first priority of the relevant Loan Security;
- (g) the absence of litigation, arbitration or administrative proceedings which, if adversely determined, are reasonably likely to have a Material Adverse Effect;
- (h) the truthfulness, accuracy and completeness in all material respects of all written information supplied by the Borrower to a Finance Party, in connection with the Transaction Documents and related Finance Documents and all written information supplied by the Borrower to the Valuer for the purposes of the Valuation; and
- (i) recent historical activities.

Guarantee:

The obligations of the Borrower under the Obligor Transaction Documents (including the Senior Credit Agreement) will be jointly and severally guaranteed pursuant to a guarantee, the terms of which are set out in the Intercreditor Agreement (the **Guarantee**) by the other Obligors. Recourse under the Guarantee is limited to the proceeds of realisation of the security granted by each Obligor pursuant to the Security Documents.

Loan Security:

The Borrower and each Obligor will enter into a security agreement with Eurohypo (as Security Agent) dated on or before the Closing Date (the **Security Agreement**) under which each of the Obligors will grant security over all of its assets (as security for the Obligor Secured Obligations) (together, the **Obligor Security**) in favour of the Security Agent as trustee for the Senior Lenders, the Junior Lender, the Hedge Counterparties, the Loan Arranger, the Senior Facility Agent, the Junior Facility Agent, the Security Agent, ManagementCo and (in respect of the floating charge only) the PropCos in respect of amounts due under the Funding Agreement (as defined below) (together, the **Obligor Secured Creditors**).

Pursuant to the Security Agreement, each of the Obligors will grant fixed and floating security in favour of the Security Agent, for the benefit of itself and the other Obligor Secured Creditors. Such Obligor Security will include:

- (a) a first fixed legal mortgage over the relevant Obligor's freehold and/or leasehold interest in the Properties;
- (b) a first fixed legal charge over the relevant Obligor's interest in any Occupational Leases;
- (c) a legal assignment by way of security over the relevant Obligor's interest in any insurance policies, Hedging Arrangement, Rental Income, bank accounts, the Property

Management Outsourcing Agreement, the Obligor Corporate Services Agreement and interests under the trusts over the relevant Collection Accounts;

- (d) a first floating charge over any other assets of any Obligor; and
- (e) in respect of the PropHoldCos and Intermediate HoldCo a first fixed equitable charge over the shares held in (in the case of the PropHoldCos) the relevant PropCo and (in the case of Intermediate HoldCo) the Borrower and the PropCos.

Security in respect of the MHC Building will be granted on the MHC Completion Date.

The security and covenant package in respect of the Obligor Secured Obligations will also include the benefit of:

- (a) subordination deeds dated on or before the Closing Date (each a **Subordination Deed** and, together, the **Subordination Deeds**) under which all debts of the Obligors (including amounts due in respect of the Subordinated Guarantee) will be subordinated to the Obligor Secured Obligations;
- (b) duty of care agreements entered into by:
 - (i) the third party managing agents with the Security Agent; and
 - (ii) ManagementCo and the Security Agent,in relation to the management (including the collection of Rental Income) of the Properties (each a **Duty of Care Agreement** and, together, the **Duty of Care Agreements**); and
- (c) a mortgage of shares dated on or before the Closing Date (the **Intermediate Parent Mortgage of Shares**) from the Intermediate Parent granting a first fixed equitable charge over the shares held by the Intermediate Parent in Intermediate HoldCo and Option GrantCo in respect of the obligations of the Obligors under the Obligor Transaction Documents.

In addition, the Security Agent will hold the following security on trust for itself and the other Obligor Secured Creditors:

- (a) a mortgage of shares dated on or before the Closing Date (the **Option Mortgage of Shares**) from Option HoldCo granting a first equitable charge over the shares held by Option HoldCo in OptionCo in respect of Option HoldCo's obligations under the Option Exercise Deed;
- (b) a mortgage of shares dated on or before the Closing Date (the **CMH Mortgage of Shares**) from CMH granting a first fixed equitable charge over the shares held by CMH in the Intermediate Parent and Cubette Limited in respect of CMH's obligations under the Tax Deed of Covenant; and
- (c) a security agreement dated on or before the Closing Date between, amongst others, OptionCo and the Security Agent (the **Option Security Agreement**) pursuant to which OptionCo will grant security over, amongst other things, its interests in the Option Agreement and the Option GrantCo Mortgage of Shares to the Security Agent in respect of its obligations under the Option Exercise Deed.

Additionally, a mortgage of shares will be entered into on or before the Closing Date (the **Option GrantCo Mortgage of Shares**) from Option GrantCo granting a first fixed equitable charge to OptionCo over the shares held by Option GrantCo in each PropHoldCo in

respect of Option GrantCo's obligations under the Option Agreement.

The Subordination Deed, the Duty of Care Agreements, the Intermediate Parent Mortgage of Shares and/or any other security not described above which is granted in favour of the Security Agent is referred to in this document as the **Related Security** and will form part of the Loan Security. The Security Agreement, Related Security, the Option Mortgage of Shares, the Option GrantCo Mortgage of Shares and the CMH Mortgage of Shares are governed by Irish law (save in respect of the security granted in respect of the Borrower Transaction Account and any other account of the Borrower located in England, which will be governed by and construed in accordance with English law).

In this offering circular, the term **Security Document** means each of:

- (a) the Security Agreement;
- (b) the Intermediate Parent Mortgage of Shares;
- (c) the Option Mortgage of Shares;
- (d) the CMH Mortgage of Shares;
- (e) the Option Security Agreement; and
- (f) the Option GrantCo Mortgage of Shares,

and **Security Documents** shall be construed accordingly.

Further advances:

Although the Issuer will be the lender for the maximum commitment amount under the Senior Credit Agreement as at the Closing Date, the Borrower will be entitled, from time to time, to request that the Issuer or any other Senior Lender after the Closing Date increase its term commitment under that Senior Credit Agreement in a minimum amount of €5,000,000 and integral multiples thereafter of €500,000 by written request to the Senior Facility Agent. If the Senior Lender agrees in writing to such a request, the total commitment amount will be increased accordingly. However, the Senior Credit Agreement will not place an obligation on the Issuer or any other Senior Lender under the Senior Credit Agreement to make any further advance to the Borrower.

Any additional lending under the Senior Credit Agreement may be undertaken by the Issuer or by another Senior Lender (subject to the agreement of all of the Senior Lenders) under the Senior Credit Agreement.

No such additional lending under the Senior Credit Agreement will be permitted unless all the Senior Lenders under the Senior Credit Agreement (and, pursuant to the terms of the Intercreditor Agreement, the Junior Lender) consent to such additional lending, enter into a supplemental agreement to the Senior Credit Agreement and the Rating Agencies confirm that the then current ratings of each class of Notes will not be adversely affected.

Insurance:

Each PropCo will undertake, pursuant to the Senior Credit Agreement, to maintain insurance on its Property, on a full reinstatement value basis, of not less than three years' loss of rent on all occupational leases together with property owners and public liability insurance and insurance against acts of terrorism (to the extent available at commercial rates in the Irish insurance markets). Each PropCo will also undertake to procure that the Security Agent is named as co-insured and loss payee on all

relevant insurance policies (except any policy in respect of property owners and public liability).

All insurances required under the Senior Credit Agreement must be with an insurance company or underwriter (or a group of insurance companies or underwriters) that:

- (a) has a long-term credit rating or a financial strength rating (or, in the case of a group of insurance companies or underwriters, the weighted average thereof) of "A" (or better) by Fitch and "A" (or better) by S&P; or
- (b) is recommended by the PropCo's insurance broker as confirmed in an annual letter to the Security Agent and the relevant PropCo; or
- (c) is otherwise acceptable to the Security Agent (acting reasonably).

Property management:

ManagementCo will enter into a Property Management Outsourcing Agreement with each PropCo in respect of each Property. Under the Property Management Outsourcing Agreement, ManagementCo will agree to manage all of the Properties on behalf of the PropCos and the PropCos will agree to pay a fee to ManagementCo in respect of such services and to reimburse ManagementCo for any costs and/or expenses incurred with respect to the Properties. In respect of certain of the Properties, ManagementCo will enter into further management agreements (each a **Property Agent Agreement** and, together, the **Property Agent Agreements**) with the Managing Agents each of which will, in addition to ManagementCo, undertake pursuant to the relevant Duty of Care Agreements towards the Security Agent to:

- (a) comply with the terms of the relevant Property Agent Agreement or (in the case of ManagementCo) the Property Management Outsourcing Agreement;
- (b) exercise all proper skill, care and diligence in performing its duties under the Property Agent Agreement or (in the case of ManagementCo) the Property Management Outsourcing Agreement; and
- (c) where applicable, ensure that the Rental Income from the Property received by it (other than certain amounts in respect of insurance premia which may be paid directly to the relevant insurance broker) is paid into the Rent Account when due or such Rental Income is held in a separate account on trust for the relevant PropCo on receipt and thereafter weekly transferred to the Rent Account.

Key Characteristics of the PropCo Loans

General:

Each PropCo Loan will be an unsecured intra-group loan and will constitute limited recourse obligations of the relevant PropCos.

Purpose of the PropCo Loan:

The proceeds of a PropCo Loan will, together with the proceeds of any Subordinated Loan, on or about the Closing Date be applied by the relevant PropCo to fund the acquisition of the relevant Property or Properties together with all associated costs, fees and expenses (including any value added tax on such costs, fees and expenses).

Interest rate:

The PropCo Loans will in aggregate bear a rate of interest, payable on each Interest Payment Date in an amount equal to the amount of interest due by the Borrower under the Senior Loan and the Junior Loan and the amount of the Borrower's expenses on such Interest Payment Date.

- Interest payments:** Interest under the PropCo Loans will be paid quarterly in arrears on each Interest Payment Date in respect of successive Interest Periods.
- Repayment of the PropCo Loans:** Unless a PropCo has previously repaid the relevant PropCo Loan, it will be required to repay the PropCo Loan in full on the Loan Maturity Date.
- Prior to the Loan Maturity Date, each PropCo Loan is repayable at the option of the Borrower and will be repaid at such time as the Borrower is required to make any repayments in respect of the Senior Loan and/or the Junior Loan.
- The Subordinated Guarantee:** Each PropCo will, in accordance with the terms of the PropCo Loan Agreement, guarantee, pursuant to the terms of a guarantee, the obligations of each other PropCo under the PropCo Loan Agreement (the **Subordinated Guarantee**).

Key Characteristics of the Properties

Properties: The Loans are, and, assuming the occurrence of the MHC Completion Date, will be secured on 16 properties located in Ireland, 15 of which are located in Dublin and one in Cork (the **Portfolio**). Ten of these properties, representing 62 per cent. of the Portfolio by value, are office properties and the remaining six are retail properties. The largest Property in the Portfolio is the Stillorgan Shopping Centre, representing 29.4 per cent. of the Portfolio by value. See "*Description of the Properties*" below.

As per the valuation carried out by DTZ Sherry Fitzgerald (the **Valuer**) dated 12 December 2005 (the **Valuation**), passing rent for the Portfolio was €27,009,911 and estimated rental value (**ERV**) for the Portfolio was €28,179,558.

Valuation: The Valuer has determined the market value of the Properties as at 12 December 2005 (the **Valuation Date**), subject to existing tenancies and assuming practical completion of the MHC Building, to be €500,465,000. On the basis of the Valuation, the loan to value ratio of the Senior Loan on the date of this Offering Circular is approximately 75 per cent.

Under the terms of the Senior Credit Agreement, the Senior Facility Agent will have the right to call for a valuation of the relevant Property at any time at the cost of the Lenders or, if a Loan Event of Default under the Senior Credit Agreement is outstanding, at the cost of the Obligor.

Principal features of the Notes

Notes: The Notes will comprise:

- (a) €250,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2015;
- (b) €50,000,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2015;
- (c) €40,000,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2015; and
- (d) €35,000,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2015.

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

Status and priority:

Pursuant to the provisions of Condition 3, the Trust Deed and the Issuer Deed of Charge, the Class A Notes will rank in priority to all other Classes of Notes in point of security and as to the payment of principal and interest, the Class B Notes will be subordinated in point of security and as to right of payment of principal and interest in respect of the Class A Notes but will rank in priority to the Class C Notes and the Class D Notes in point of security and as to the payment of principal and interest, the Class C Notes will be subordinated in point of security and as to right of payment of principal and interest in respect of the Class A Notes and the Class B Notes but will rank in priority to the Class D Notes in point of security and as to right of payment of principal and interest and the Class D Notes will be subordinated in point of security and as to the payment of principal and interest in respect of the Class A Notes, the Class B Notes and the Class C Notes.

See "*Issuer Transaction Documents and Cashflow Credit Structure – Issuer Cashflows*" below.

Form of the Notes:

Each Class of Notes will be in bearer form. The Temporary Global Notes and the Permanent Global Notes of each class will be held by a common depositary for Euroclear and Clearstream, Luxembourg. The Notes will be in denominations of €50,000.

Ratings:

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

| Class | Fitch | S&P |
|---------------|--------------|----------------|
| Class A Notes | AAA | AAA |
| Class B Notes | AA | AA |
| Class C Notes | A | A |
| Class D Notes | BBB | BBB |

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by one or more of the assigning rating organisations.

Listing:

Application has been made to the Financial Regulator in Ireland, as competent authority under the Prospectus Directive, for the Offering Circular to be approved as a Prospectus for the purposes of the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market.

Final redemption:

Unless previously redeemed in full, the Notes will mature on the Final Maturity Date.

Redemption in whole for taxation and other reasons:

In accordance with Condition 6.2(b), but only after reasonable endeavours have been made to mitigate in accordance with Condition 6.2(a), if the Issuer satisfies the Trustee that either: (i) on the occasion of the next Interest Payment Date the Issuer would become subject to tax on its income in more than one jurisdiction or the Issuer would be required to make any withholding or deduction from any payment of principal or interest in respect of any of the Notes, or the Issuer would suffer any withholding or deduction from any payment in respect of the Senior Loan in each case for or on account of any present or future tax, duty or charge of whatsoever nature incurred or levied by or on behalf of Ireland or any authority thereof or therein; or (ii) by reason of a change of law which change becomes effective on or after the Closing Date it has or will become

unlawful for the Issuer to make, lend or allow to remain outstanding all or any advances made or to be made by it under the Senior Credit Agreement, then the Issuer may (in accordance with Condition 6.2(b)), upon giving not more than 60 and not less than 30 days' notice to the Noteholders and provided that it has satisfied the Trustee that it has sufficient funds available to it, redeem all, but not some only, of the Notes at their then Principal Amount Outstanding together with accrued interest thereon.

Principal Amount Outstanding means, in respect of any Note at any time, the principal amount thereof as at the Closing Date as reduced by any payment of principal to the holder of the Note up to (and including) that time.

Mandatory redemption in whole or in part:

Subject to Condition 6.2 and Condition 6.3(d) and prior to service of an Acceleration Notice, if the Issuer receives a notice from the Borrower pursuant to the Senior Credit Agreement that the Borrower will prepay all or part of the Senior Loan on or before the next Interest Payment Date or the Junior Lender, the Servicer or the Special Servicer elects to purchase the Senior Loan pursuant to the terms of the Intercreditor Agreement or the Servicing Agreement, as applicable, or the Senior Loan is otherwise sold or transferred pursuant to the terms of the Senior Credit Agreement, the Issuer will, in accordance with Condition 6.3(a), (b), (c), (e) or (f), upon giving not more than 60 and not less than 10 days' notice to the Noteholders and provided that it has satisfied the Trustee that it has or will have sufficient funds available to it, redeem some or all of a specified principal amount of the Notes in accordance with Condition 6.3.

Upon enforcement of the Issuer Security and service of an Acceleration Notice pursuant to Condition 10, the Trustee (or its appointee) is required to apply all amounts (if any) received in respect of the Senior Loan in accordance with the Post-Acceleration Priority of Payments pursuant to the Issuer Deed of Charge.

No purchase of Notes by the Issuer:

The Issuer will not be permitted to purchase Notes.

Further Notes, New Notes and Replacement Notes:

The Issuer will be entitled, without the consent of the Noteholders of any class, to issue further debt securities, as follows:

- (a) notes which are consolidated, and form a single series with, an existing class of Notes (including any New Notes or Replacement Notes then in issue) (**Further Notes**);
- (b) notes which rank *pari passu* with the Class A Notes, or behind the Class A Notes and ahead of the Class B Notes, or *pari passu* with the Class B Notes, or behind the Class B Notes but ahead of the Class C Notes, or *pari passu* with the Class C Notes, or behind the Class C Notes but ahead of the Class D Notes or *pari passu* with the Class D Notes or behind the Class D Notes (the **New Notes**); and
- (c) notes of any class to replace an existing class of Notes, but with an interest rate equal to or lower (or, if fixed rate Notes are to be issued in replacement for floating rate Notes or vice versa, a swap rate which (taking into account the relevant margin) is equal to or lower than the existing class of Notes being replaced) (the **Replacement Notes**).

Pursuant to the Pre-Enforcement Income Priority of Payments and the Post-Enforcement Pre-Acceleration Income Priority of Payments (as applicable), interest on junior classes of Notes will

be payable prior to any scheduled, mandatory or optional principal amortisation. Any issue of Further Notes, New Notes or Replacement Notes will be subject to the satisfaction of certain conditions precedent. These will include a condition that the Rating Agencies confirm that the then current ratings of each class of Notes already in issue will not be adversely affected. See further Condition 16 under "*Terms and Conditions of the Notes*" below.

Interest rates:

Each class of Notes will initially bear interest calculated as the sum of EURIBOR (as determined in accordance with Condition 5.3) plus the relevant Margin. The interest rate margin applicable to each class of Notes will be as follows (each, a **Margin**):

| Class | Margin (per cent.) |
|---------------|------------------------------|
| Class A Notes | 0.19 |
| Class B Notes | 0.30 |
| Class C Notes | 0.50 |
| Class D Notes | 0.80 |

Interest payments:

Interest will be payable on the Notes quarterly in arrears on 15 January, 15 April, 15 July and 15 October in each year, unless the same is not a Business Day, in which case the following Business Day (each, an **Interest Payment Date**). **Business Day** means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business and settle payments in Dublin and London and is a TARGET Business Day.

Interest Periods:

The first Interest Period will run from (and including) the Closing Date to (but excluding) the first Interest Payment Date and subsequent Interest Periods will run from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date. The Noteholders will be entitled to receive a payment of interest only in so far as payment is in accordance with the Priorities of Payments (as described in "*Issuer Transaction Documents and Cashflows*" below). Any interest not paid on the Notes (other than interest due on the Most Senior Class of Notes then outstanding) when due (prior to the Final Maturity Date or on such earlier date as the Notes become immediately due and repayable under Condition 10) will accrue interest and will be paid only to the extent that there are funds available on a subsequent Interest Payment Date in accordance with the Priorities of Payments (as described in "*Credit Structure – 8. Cashflows*" below).

Any deferral of interest in accordance with Condition 5.8 will not constitute a Note Event of Default.

Issue prices:

The Class A Notes will be issued at 100 per cent. of their aggregate initial Principal Amount Outstanding.

The Class B Notes will be issued at 100 per cent. of their aggregate initial Principal Amount Outstanding.

The Class C Notes will be issued at 100 per cent. of their aggregate initial Principal Amount Outstanding.

The Class D Notes will be issued at 100 per cent. of their aggregate initial Principal Amount Outstanding.

Withholding tax:

If any withholding or deduction for or on account of any tax is imposed in respect of payments under the Notes, the Issuer will make payments subject to such withholding or deduction and neither the Issuer nor any other entity will be required to

gross-up or otherwise pay additional amounts in respect thereof. See "Irish Taxation" below.

Security for the Notes:

The Notes will be secured pursuant to a deed of charge and assignment made between the Issuer, the Trustee and the Other Issuer Secured Creditors and dated on or before the Closing Date (the **Issuer Deed of Charge**).

The Trustee will hold the security granted under the Issuer Deed of Charge on trust for itself, any receiver and any other appointee of the Trustee, the Noteholders, the Receiptholders, the Couponholders, the Paying Agents, the Agent Bank, the Issuer Corporate Services Provider, the Servicer, the Special Servicer, the Liquidity Bank, the Note Arranger, OptionCo and the Account Bank (together, the **Issuer Secured Creditors**).

The Issuer will grant the following security interests under or pursuant to the Issuer Deed of Charge (the **Issuer Security**):

- (a) a first ranking assignment of its rights in respect of the Senior Loan Agreement and the Intercreditor Agreement;
- (b) a first ranking assignment of its interest in the Loan Security (including the Related Security);
- (c) a first ranking assignment of its interest in the security granted to the Security Agent pursuant to the Option Security Agreement and the Option Mortgage of Shares;
- (d) a first ranking assignment of its rights under the other Transaction Documents to which it is a party;
- (e) a first fixed charge of its rights to all monies standing to the credit of the Issuer Accounts;
- (f) a first fixed charge of its interest in any Eligible Investments made by it or on its behalf; and
- (g) a first floating charge over the whole of its undertaking and of its property and assets not already subject to fixed security (other than the Issuer Share Capital Proceeds Account, the amounts representing the share capital proceeds of the Issuer and the Issuer Margin deposited therein, together with any interest accruing thereon (the **Excepted Assets**)).

The security interests referred to in paragraphs (a) to (e) above may take effect as floating security and thus rank behind claims of certain preferential and other creditors.

Limited Recourse:

On enforcement of the Issuer Security, the Trustee and the Noteholders will only have recourse to the Issuer Security. To the extent that the proceeds of such enforcement are insufficient (after payment of all other claims ranking in priority to or *pari passu* with amounts due in respect of the Notes) to pay all principal and interest due on the Notes then the Issuer's obligations to pay such amounts will be extinguished and the Noteholders will have no further claim against the Issuer in respect of such amounts.

Transfer restrictions:

There will be no transfer restrictions in respect of the Notes, subject to applicable laws and regulations.

Governing law:

The Notes, the Trust Deed, the Agency Agreement, the Servicing Agreement, the Issuer Account Bank Agreement, the Borrower Transaction Account Bank Agreement, the Liquidity Agreement, the Hedging Agreements and, to the extent securing the Issuer Accounts, the Issuer Deed of Charge will be governed by English law.

All other Transaction Documents, Finance Documents and Junior Finance Documents will be governed by Irish law.

RISK FACTORS

Set out in this section is a summary of certain issues of which prospective Noteholders should be aware before making a decision whether or not to invest in Notes of any class. This summary is not intended to be exhaustive. Therefore, prospective Noteholders should read also the detailed information set out elsewhere in this Offering Circular and form their own views before making any investment decision.

(A) Considerations relating to the Notes

Liability under the Notes

The Issuer is the only entity which has obligations to pay principal and interest in respect of the Notes. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity, including (but not limited to) Eurohypo (in any capacity), the Lead Manager and Sole Bookrunner, the Manager, the Trustee, the Issuer Share Trustee, the Liquidity Bank, the Servicer, the Special Servicer, the Paying Agents, the Agent Bank, the Issuer Corporate Services Provider, the Account Bank, the Obligors, the Intermediate Parent CMH, Cubette, the Old PropCos, the Senior Facility Agent, the Junior Facility Agent, the Security Agent, the Hedge Counterparties, Option GrantCo, OptionCo, Option HoldCo, the Option Share Trustee, the Option Corporate Services Provider, ManagementCo, the Borrower Account Bank, or by any entity affiliated to any of the foregoing.

Limited Recourse

The Notes will be limited recourse obligations of the Issuer. The ability of the Issuer to meet its obligations under the Notes will be dependent primarily upon the receipt by it of principal and interest from the Obligors under the Senior Loan (see further "*Considerations relating to the Senior Loan and the Property*" below) and the receipt of funds (if available to be drawn) under the Liquidity Facility Agreement. Other than the foregoing, and any interest earned by the Issuer in respect of its bank accounts, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes.

Upon enforcement of the security for the Notes, the Trustee or any receiver and the Noteholders will have recourse only to the Senior Loan, the Issuer's interest in the Loan Security and the Security granted pursuant to the Security Agent in respect of the Option Security Agreement and the Option Mortgage of Shares and to any remaining Issuer Security. In the event that the proceeds of enforcement against the Issuer Security are insufficient (after payment of all other claims ranking higher in priority to or *pari passu* with amounts due under the Notes), then the Issuer's obligation to pay such amounts will cease and the Noteholders will have no further claim against the Issuer in respect of such unpaid amounts, in which event the Issuer's liability to discharge the then unpaid amounts will be extinguished. Enforcement of the security created pursuant to the Issuer Deed of Charge is, therefore, the only remedy available for the purpose of recovering amounts owned in respect of the Notes. It should be noted that in certain limited circumstances (including acceleration of the Notes), the Issuer will not be able to make any further drawings under the Liquidity Facility Agreement.

Ratings of the Notes

The ratings assigned to each class of the Notes by the Rating Agencies are based on the Senior Loan and the Guarantee the Intercreditor Agreement, the Loan Security, each Property and other relevant structural features of the transaction, including, among other things, the short-term and long-term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Bank and the Senior Hedge Counterparties. These ratings reflect only the views of the Rating Agencies.

The ratings address the likelihood of full and timely receipt by any of the Noteholders of interest on the Notes and the likelihood of receipt by any Noteholder of principal of the Notes by the Final Maturity Date. 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 of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgment of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the market value and/or liquidity of the Notes of any class.

Credit rating agencies other than Fitch and S&P could seek to rate the Notes (or any class of them) without having been requested to do so by the Issuer, and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by Fitch and S&P, those unsolicited ratings could have an

adverse effect on the market value and/or liquidity of the Notes of any class. In this Offering Circular, all references to ratings are to ratings assigned by the Rating Agencies (namely Fitch and S&P).

Ratings confirmations

Under the Transaction Documents, the Trustee may determine whether or not any event, matter or thing is, in its opinion, materially prejudicial to the interests of any class of Noteholders, or, as the case may be, all the Noteholders, and if the Trustee shall certify that any such event, matter or thing is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Issuer and the Noteholders. In making such a determination, the Trustee shall be entitled to take into account, among other things, any confirmation by the Rating Agencies (if available) that the then current rating of the Notes of the relevant class would or, as the case may be, would not, be adversely affected by such event, matter or thing.

However, it should be noted that the decision as to whether or not to reconfirm any particular rating may be made on the basis of a variety of factors and no assurance can be given that any such reconfirmation 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 holders of securities (such as the Notes). In addition, no assurance can be given that the Rating Agencies will provide any such reconfirmation.

Absence of secondary market; limited liquidity

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market. There is not, at present, a secondary market for the Notes. 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. In addition, the market value of certain of the Notes may fluctuate with changes in prevailing rates of interest and/or credit spreads. 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.

Availability of Liquidity Facility

Under the Liquidity Facility Agreement, the Liquidity Bank will, under and in accordance with the terms of the Liquidity Facility Agreement, make available to the Issuer the €35,000,000 Liquidity Facility to enable the Issuer to (among other things) make payments of interest in respect of the Notes. In certain circumstances after the enforcement of the Senior Loan, the Liquidity Facility may cease to be available to make note interest payments in respect of certain classes of Notes. See "*Issuer Transaction Documents and Cashflow – Liquidity Facility*". The Liquidity Facility will not be available to the Issuer to enable it to make any payment of principal payable in respect of the Notes of any class.

The initial Liquidity Facility Agreement will expire 364 days after the Closing Date, although it is extendable. The Liquidity Bank is not obliged to extend or renew the Liquidity Facility at its expiry, but if it does not renew or extend the Liquidity Facility on request then the Issuer may, subject to certain terms, be required to make a Liquidity Stand-by Drawing and place the proceeds of that drawing on deposit in the Liquidity Stand-by Account. See further "*Issuer Transaction Documents and Cashflow – Liquidity Facility*", below.

Subordination of Class B Notes, Class C Notes and Class D Notes

If, on any Interest Payment Date when there are Class A Notes outstanding, the Issuer has insufficient funds to make payment in full of interest due on the Class B Notes and/or the Class C Notes and/or Class D Notes, then the Issuer will be entitled (under Condition 5.8) to defer payment of that amount until the following Interest Payment Date. In these circumstances there will be no Note Event of Default. If there are no Class A Notes then outstanding (but there are Class B Notes outstanding), the Issuer will be entitled to defer payments of interest in respect of the Class C Notes and the Class D Notes. In these circumstances there will be no Note Event of Default. If there are no Class A Notes or Class B Notes outstanding (but there are Class C Notes outstanding) the Issuer will be entitled to defer interest on the Class D Notes only. In these circumstances there will be no Note Event of Default.

The terms on which the Issuer Security will be held will provide that, upon enforcement, certain payments (including all amounts payable to any receiver and the Trustee, all amounts due to the Servicer, the Special Servicer (other than payments due in respect of the Liquidation Fee or the

Workout Fee), the Issuer Corporate Services Provider, the Account Bank, the Paying Agents, the Agent Bank and all payments due to the Liquidity Bank under the Liquidity Facility (other than in respect of amounts specified in paragraph (xii) of "*Issuer Transaction Documents and Cashflows – Issuer Cashflows – Payments paid out of the Issuer Revenue Account Pre-Enforcement of the Issuer Security*" paragraph (xi) of the priority of payments described in "*Issuer Transaction Documents and Cashflows – Issuer Cashflows – Payments Paid out of the Issuer Revenue Account Post-Enforcement of the Issuer Security but Pre-Acceleration of the Notes*" and paragraph (xv) of "*Issuer Transaction Documents and Cashflows – Issuer Cashflows – Payments Paid out of the Issuer Accounts Post-Acceleration of the Notes*" below)) will be made in priority to payments in respect of interest and principal (where appropriate) on the Class A Notes. Upon acceleration of the Notes, all amounts owing to the Class A Noteholders will rank higher in priority to all amounts owing to the Class B Noteholders, all amounts owing to the Class B Noteholders will rank higher in priority to all amounts owing to the Class C Noteholders and all amounts owing to the Class C Noteholders will rank higher in priority to all amounts owing to the Class D Noteholders.

Conflict of interests between classes of Noteholders

The Trustee will be required, in performing its duties as trustee under the Trust Deed and the Issuer Deed of Charge, to have regard to the interests of all the Noteholders together. However, if (in the sole opinion of the Trustee) there is conflict between the interests of the holders of one or more classes of Notes and the interests of the holders of one or more other classes of Notes, then the Trustee will be required in certain circumstances to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding. For these purposes, the interests of individual Noteholders will be disregarded and the Trustee will determine interests viewing the holders of any particular class of Notes as a whole.

Withholding or deduction under the Notes

In the event that a withholding or deduction for or on account of any taxes is imposed by law, or otherwise applicable, in respect of amounts payable under the Notes, neither the Issuer nor any Paying Agent or any other entity is obliged to gross up or otherwise compensate Noteholders for the lesser amounts which the Noteholders will receive as a result of the imposition of such withholding or deduction. The imposition of such withholding or deduction would oblige the Issuer to redeem the Notes at their then Principal Amount Outstanding (plus accrued interest) thereby shortening the average lives of the Notes.

Yield and prepayment considerations

The yield to maturity of the Notes of each class will depend on, among other things, the amount and timing of receipt by the Issuer of amounts of principal in respect of the Senior Loan (and payment thereof to Noteholders) and the purchase price paid by the holders of the Notes. Such yield may be adversely affected by one or more prepayments in respect of the Senior Loan (and payment thereof to Noteholders or a purchase of the Senior Loan by the Junior Lender, the Servicer or the Special Servicer).

The Borrower will have the option to prepay all or a part of the Senior Loan at any time. Subject as stated below, if the Borrower prepays the Senior Loan in whole or in part, the Issuer will effect a redemption of the Notes (under Condition 6.3) in a corresponding principal amount to that Senior Loan tranche prepaid.

If, however, an Obligor disposes of a Property, any related principal prepayment amount which the Issuer receives will be applied in redemption of the Notes up to an amount equal to the specified Senior Allocated Loan Amount, in redemption *pro rata* of each Class of Notes up to an amount equal to the specified Senior Allocated Debt Amount. Any disposal proceeds in excess of the Senior Allocated Loan Amount (up to the Senior Release Price) will be applied in redemption of the most Senior Class of Notes.

In respect of the Mason Hayes + Curran Building (the **MHC Building**), €43,870,201 advanced under the Senior Loan will be deposited into the Deposit Account in the name of the Borrower. If the MHC Completion Date has not occurred within nine months after the Closing Date, the Borrower will be treated as if it had disposed of the MHC Building and be required to prepay the Senior Loan, in accordance with the above paragraph. For more details of the MHC Building, see "*Description of the Properties – MHC Building, 35/36 Barrow Street*" below.

On the occurrence of a Loan Event of Default or a Junior Loan Event of Default, the Junior Lender may, in accordance with the Intercreditor Agreement, purchase the Senior Loan. Any such purchase would result in a redemption of the Notes. Noteholders should additionally note that the Servicer and the Special Servicer will have the right to purchase the Senior Loan on any Interest Payment Date if the principal balance of the Senior Loan is less than 10 per cent. of the principal balance of the Senior Loan as at the Closing Date.

As at the date of this Offering Circular, it is contemplated that upon completion of the planning approval process the Stillorgan Shopping Centre will be the subject of redevelopment. It is currently envisaged that, at the time of redevelopment, the Stillorgan Shopping Centre will be refinanced, resulting in a prepayment under the Senior Credit Agreement and therefore the Notes as set out in Condition 6.3(a) (Mandatory Redemptions in Whole or in Part). As at the date of this Offering Circular no precise date can be provided as to when the redevelopment may occur and no assurance can be given that the redevelopment will occur. However, should the redevelopment occur prior to the Loan Maturity Date and the Stillorgan Shopping Centre is refinanced, any resulting prepayment of the Senior Loan and therefore the Notes would affect the yield to maturity of the Notes.

Considerations relating to the Senior Loan, the PropCo Loans and the Properties

Concentration of risk generally

The entire amount of the Note issue proceeds will be lent to the Borrower. The Borrower's only material assets are the proceeds of the Senior Loan and the Junior Loan and any amounts that may be payable under the Senior Hedging Arrangements and the Junior Hedging Arrangements (together, the **Hedging Arrangements**). The Borrower will on the Closing Date or, in respect of the MHC Building, the MHC Completion Date, on-lend the proceeds of the Senior Loan and the Junior Loan to the PropCos. Each PropCo's material assets consist of its interest in the relevant Property. Each PropCo will therefore have access to no funds other than those generated through its ownership of its Property and the letting of its Property to occupational tenants to make payment in full of the amounts due in respect of the PropCo Loans and the Guarantee which could adversely affect the ability of the Borrower to make payments due in respect of the Senior Loan, and as a consequence would adversely affect the ability of the Issuer to make payments due in respect of the Notes in full.

Real property investments are subject to varying degrees of risk. Rental revenues and property values are affected by changes in the general economic climate and local conditions such as an oversupply of space, a reduction in demand for office and retail real estate in an area, competition from other available space or increased operating costs. Rental revenues and property values are also affected by such factors as political developments, government regulations and changes in planning laws or policies and changes in tax laws, interest rate levels, inflation, the availability of financing and yields of alternative investments. Office and retail rentals and values are sensitive to such factors, which can sometimes result in rapid, substantial increases and decreases in rental and valuation levels.

Capital Gains Tax Liability

Each PropCo will acquire its related Propert(y)(ies) from a CMH Group Company contemporaneously with the origination of the relevant PropCo Loan on the Closing Date or, in respect of the MHC Building on the MHC Completion Date. Such an acquisition benefits from intra-group tax relief for Irish tax on capital gains. As a consequence of such an acquisition, each PropCo inherits the capital gains tax or corporation tax on gains (**CGT**) base cost of the relevant selling company. Based on the value of Properties as at 12 December 2005, the CGT liability that would arise in respect of the Properties would be €52,163,109 as at the Closing Date (assuming practical completion of the MHC Building) if they were each disposed of by the relevant PropCo immediately after acquisition for the valuations set out in the Valuation Report.

If a PropCo ceased to be a member of the group of companies for CGT purposes holding the relevant Property within 10 years of acquisition of the relevant Property, the relevant PropCo would be deemed for the purposes of CGT to have disposed of the relevant Propert(y)(ies) immediately after its acquisition from the relevant CMH Group Company for the market value at the time of such acquisition such that the inherent CGT would crystallise in respect of the relevant Propert(y)(ies). CMH, Intermediate HoldCo, the Intermediate Parent, the PropHoldCos, the PropCos and Option GrantCo have covenanted in favour of the Security Agent pursuant to the Tax Deed of Covenant not to do anything that would cause such a degrouping in respect of CGT, other than pursuant to the exercise of an Option under the Option Agreement.

Under the Irish Tax Acts, in a situation where an "accountable person" (being a liquidator or a person entitled to an asset by means of security or to the benefit of any charge or encumbrance or any person appointed to enforce or give effect to the security, charge or encumbrance) disposes of an asset owned by another person (the **owner**) in a liquidation or deals with an asset for the purposes of enforcing or giving effect to a security, charge or encumbrance (whether by the person so entitled, so appointed, or any receiver, manager or judicial factor), the accountable person is liable for an amount of tax equal to the CGT (the **referable tax**) arising on the disposal of the asset by the owner. The referable tax is treated as a necessary disbursement out of the proceeds of disposal and will discharge a corresponding amount of the liability to CGT of the owner. These provisions would apply to a sale by a receiver appointed by the Security Agent pursuant to the Security Agreement that disposes of a Property.

If the Option is exercised, the relevant PropCo will cease to be a CMH Group Company and such PropCo will be deemed for the purposes of CGT as if it had disposed of the relevant Propert(y)(ies) immediately after its acquisition from the relevant CMH Group Company for its/their market value at the time such that the inherent CGT would crystallise and would be a liability of the relevant PropCo and not referable tax. If contrary to the Issuer's view the inherent CGT was referable tax or if the Option was not exercised or was otherwise not effective for tax purposes, any referable tax would be an amount payable by the accountable person, effectively in priority to amounts payable to the Obligor Secured Creditors and would adversely affect the ability of the PropCos to make payments in respect of the PropCo Loans and the Guarantee and therefore the Borrower's ability to make payments under the Senior Credit Agreement and consequently affect the Issuer's ability to make payments on the Notes.

Stamp Duty Liability

As noted above, each PropCo will acquire its related Propert(y)(ies) from a CMH Group Company contemporaneously with the origination of the PropCo Loan on the Closing Date. Such acquisitions should benefit from associated companies' relief from Irish stamp duty so long as certain arrangements are not in place at the time of transfer of the relevant Property. If the relevant PropCo and Old PropCo cease to be so associated for the purposes of the Irish Stamp Duties Consolidation Act 1999 within two years of the acquisition by the PropCo of the relevant Property, associated companies' relief is withdrawn and any stamp duty that would otherwise have been due becomes payable by the relevant PropCo. Any such stamp duty liability would amount to nine per cent. of the value of the relevant Propert(y)(ies) as at the date of transfer and would accordingly reduce the amount of post-tax income available to a PropCo to meet its obligations under the PropCo Loan and the Guarantee and would adversely affect the Borrower's ability to make payments under the Senior Credit Agreement and consequently have an adverse effect on the Issuer's ability to make payments under the Notes. The Option Agreement prohibits the exercise of the Option for a period of two years from the Closing Date such that Old PropCo and the PropCo will not thereby cease to be associated for stamp duty purposes.

CMH, the Intermediate Parent, Intermediate HoldCo, the PropHoldCos, the PropCos and the Old PropCos have covenanted in favour of the Security Agent pursuant to the Tax Deed of Covenant not to do anything that would cause the relevant Old PropCo and the relevant PropCo to cease to be associated for the purposes of stamp duty.

Dependence on occupational tenants

A PropCo's ability to meet its obligations in respect of its Senior Credit Agreement and therefore the PropCo Loan Agreement will depend upon it continuing to receive a significant level of aggregate rent from the occupational tenants under the occupational leases. A PropCo's ability to make payments in respect of the Guarantee and the relevant PropCo Loan could be adversely affected if occupancy levels at its Property were to fall or if a significant number of occupational tenants were unable to meet their obligations under their occupational leases. See also "*Active Management of the Properties*" below.

During the term of the Senior Credit Agreement, some of the existing occupational leases which are in place as at the Closing Date will come to the end of their respective contractual terms. This is likely to be the case also for some of the new occupational leases granted by a PropCo after the Closing Date. There can be no assurance that occupational tenants will renew their respective occupational leases or, if they do not, that new occupational tenants will be found to take up replacement occupational leases. Furthermore, even if such renewals are effected or replacement occupational leases are

granted, there can be no assurance that such renewals or replacement occupational leases will be on terms (including rental levels) as favourable to a PropCo as those which exist now or before such termination, nor that the covenant strength of either occupational tenants who renew their occupational leases or new occupational tenants who replace them will be the same as, or equivalent to, those now existing or existing before such termination.

Geographic concentration; the economies of Dublin and Cork

All of the Properties are located in and around Dublin other than one of the Properties which is located in Cork. Repayments under the Senior Credit Agreement and the market value of the Properties could be adversely affected by conditions in the property markets in Dublin and Cork, acts of nature (which may result in uninsured losses), and other factors which are beyond the control of the PropCos and the Borrower. In addition, the performance of the Properties will be dependent upon the strength of the economies of the Cork and, in particular, the Dublin areas where such Properties are located.

Risks Relating to Office Properties

68 per cent. of the Properties by value, as at the Valuation Date, are office properties. The income from and market value of an office property, and a PropCo's ability to meet its obligations under the Senior Credit Agreement, are subject to a number of risks. In particular, a given property's age, condition, design, access to transportation and ability to offer certain amenities to tenants, including sophisticated building systems (such as fibre-optic cables, satellite communications or other base building technological features) all affect the ability of such a property to compete against other office properties in the area in attracting and retaining tenants. Other important factors that affect the ability of an office property to attract or retain tenants include the quality of a building's existing tenants, the quality of the building's property manager, the attractiveness of the building and the surrounding area to prospective tenants and their customers or clients, access to public transportation and major roads and the public perception of safety in the surrounding neighbourhood. Attracting and retaining tenants often involves refitting, repairing or making improvements to office space to accommodate the type of business conducted by prospective tenants or a change in the type of business conducted by existing major tenants. Such refitting, repairing or improvements are often more costly for office properties than for other property types. In addition, it should be noted that all the office Properties are located in and around Dublin. As such, the PropCos may be in competition with each other to attract tenants to the Properties.

Risks Relating to Retail Properties

32 per cent. of the Properties by value as at the Valuation Date are retail properties, including both high street and shopping centres retail premises with 29.4 per cent. of the Properties by value as at the Valuation Date being comprised by the Stillorgan Shopping Centre. The success of a shopping centre depends on achieving the correct mix of tenants so that an attractive range of retail outlets is available to potential customers. The presence or absence of an "anchor tenant" in a shopping centre can be particularly important in this as anchors play a key role in generating customer traffic and making a shopping centre desirable for other tenants. Whilst there is no strict definition of an "anchor tenant" it is generally understood that a retail anchor tenant is large in size and generally attracts customers to retail property whether or not it is located on the relevant retail property. An anchor tenant may cease operations at a retail property because it decides not to renew a lease, becomes insolvent or goes out of business. If any anchor store located in, or occupying space outside of, a Property were to close and such anchor is not replaced in a timely manner the related PropCo may suffer adverse economic consequences. If such an anchor tenant occupies a portion of the related Property, the relevant PropCo may also be required to expend material amounts to refurbish and customise the space. If, for whatever reason, several of the current tenants were to cease paying rent or to cease occupying their respective parts of a Property, the ability of a PropCo to make payments under its Senior Credit Agreement could be significantly impaired. There can be no assurance that a PropCo will, on termination of the occupational leases currently in place, be able to attract the types of tenant needed in the future to maintain the current range of retail outlets at a Property.

The ability to attract the appropriate types and number of tenants paying rent levels sufficient to allow a PropCo to make payments due under the PropCo Loan and the Guarantee and therefore the Borrower to make payments due under the Senior Credit Agreement will depend on, among other things, the performance generally of the retail property market. Continued global instability (resulting from economic and/or political factors, including the threat of global terrorism) may adversely affect the Irish

economy. In addition, changes in the structure of the retail sector in Ireland, such as the continuing development of internet shopping, may have a negative impact on the demand for regional shopping centres and hence the desirability of rental units in respect of the retail Properties.

Rental levels, the quality of the building, the amenities and facilities offered, the convenience and location of a Property, the amount of space available, the transport infrastructure and the age of the building in comparison to the alternatives are all factors which influence tenant demand. There is no guarantee that changes to the infrastructure, demographics, planning regulations and economic circumstances relating to the surrounding areas on which a Property depends for its consumer base will not adversely affect the ability of a PropCo to attract tenants to the Properties.

In addition to the factors set out above, it should be noted that the Portfolio consists of several retail Properties located in and around Dublin. In such circumstances the PropCos may be in competition with each other to find tenants.

Active management of the Properties

All of the Properties have been, and will remain, under active property management either from within the CMH Group or by third party Managing Agents. This is undertaken in order to try to achieve the correct mix of tenants so that in the case of the retail Properties an attractive range of retail outlets is available to customers. This may result in the release of occupational tenants from occupational leases at a time when no replacement occupant has yet signed up to a lease.

Equally, some occupational tenants may wish to reduce the size of their premises or to move premises within a Property. In addition, occupational tenants may decide that they wish to take more or less space or space in a different part of a Property.

If an occupational tenant gets into financial difficulties, a PropCo may find it necessary to grant rental concessions to that occupational tenant or to accept a surrender of the relevant occupational lease. Market conditions may be such at the time that the new occupational lease may provide for payments at a lower rental. In these circumstances, a PropCo may need to agree to such terms, keeping in mind not only the requirement to maximise income but also the impact upon neighbouring shops if the relevant unit were to be closed down for a period.

Privity of contract

The Landlord and Tenant Law Amendment Act (Ireland) 1860 (known as **Deasy's Act**) provides that in relation to leases of property in Ireland if an original tenant under a lease assigns that lease then, subject to the landlord's consent being executed and endorsed on the relevant deed of assignment, the original tenant's liability in respect of future breaches of agreements contained in the lease, but without prejudice to any remedy or right against it, is released. In addition, on an assignment permitted by a landlord where a landlord has not formally executed a consent, a landlord may pursue the original tenant for breaches of the lease that existed prior to, and after, the date of assignment. The original tenant will generally ensure it is released from all future obligations after the date of assignment.

The majority of occupational leases contain provisions giving the relevant PropCo qualified control over any assignment, and most leases also set out specific criteria which any assignee must meet prior to being able to take an assignment of the lease. There can, however, be no assurance that any assignee of a lease of premises within the Portfolio will be of a similar credit quality to the original tenant, or that any subsequent assignees (who in the context of a new tenancy will not usually be covered by any original tenant's guarantee) will be of a similar credit quality.

Except as disclosed in the relevant Certificate of Title, each existing occupational lease (other than short-term at will or licence arrangements) prohibits the relevant tenant from assigning without the landlord's previous consent, which, under Irish Landlord and Tenant legislation, cannot be unreasonably withheld. Additionally, PropCo as landlord cannot, under statute, unreasonably withhold its consent to a tenant's application for an assignment (and, in certain circumstances, a sub-letting) of a leased property. PropCo as landlord therefore does not have a veto over an assignment (or, in certain circumstances, a sub-letting) and a tenant can seek a declaration from a court that a landlord is unreasonably withholding its consent within the meaning of the Landlord and Tenant legislation to any proposed assignment (or, in certain circumstances, a sub-letting). However, whilst it will be reasonable to refuse consent to assign where the new tenant cannot demonstrate an ability to afford to pay the rent or perform the covenants, there can be no assurance that any assignee of an

occupational lease (or any part thereof), nor any subsequent assignees covered by an authorised guarantee (where applicable), will be of a similar credit quality to the existing tenants.

Competition

Retailing in Ireland is highly competitive, competition exists between town centres, retail parks, shopping centres and superstores. Similarly the office space market in Ireland is competitive with competition between city centre office developments and business parks.

The principal factors affecting a Property's ability to attract and retain tenants include the quality of the building, the amenities and facilities offered, the convenience and location of a Property, the amount of space available to be let, the identity and nature of its tenants and the transport infrastructure (including availability and cost of parking) in comparison to competing areas. In addition, the retail Properties may be affected by further growth in internet shopping. See also "*The PropCos' dependence on occupational tenants*" above. As above, it should be noted that the PropCos may be in competition between themselves to attract and maintain tenant occupancy levels.

Development of the Properties

Under the Senior Credit Agreement, the Obligors will not be permitted to enter into any development, refurbishment, improvement or other capital works in respect of a Property unless required in accordance with the terms of the relevant lease. However, in relation to the Stillorgan Shopping Centre, the relevant PropCo will be permitted to enter into certain redevelopment works or improvements, subject to the consent of the Senior Facility Agent, and on satisfaction of certain criteria, including the availability of committed funding, satisfaction of specific interest cover ratios and confirmation that the development would not result in a reduction in passing rental income in excess of 10 per cent. In addition, any proposed works must not (once completed) have any adverse effect on the value of the Stillorgan Shopping Centre. Whilst the CMH Group are experienced in managing commercial properties, there can be no assurance that any decisions taken by the relevant PropCo in relation to the development of the Stillorgan Shopping Centre would not have an adverse effect on the value of or the cashflows from the Stillorgan Shopping Centre.

Statutory rights of tenants

In certain limited circumstances, tenants of a Property may have legal rights to require the landlord of that Property to grant them future tenancies, pursuant to Irish Landlord and Tenant Act 1980 (as amended). Should such a right arise, the landlord may not have his normal freedom to negotiate the terms of the new tenancies with the tenant, such terms being imposed by the Irish court as being the same, save for the rent, as those under the previous tenancy of the relevant premises save for the rent. While it is the general practice of the Irish courts in lease renewals under the Landlord and Tenant Act, 1980 (as amended) to grant a new tenancy on similar terms to the expiring tenancy, the basic annual rent will be adjusted in line with the market rents at the relevant time and there can be no guarantee as to the terms on which any new such tenancy will be granted.

The exercise of any such rights may affect the ability of a PropCo to meet its obligation under the relevant PropCo Loan or under the Guarantee consequently affecting the Borrower's ability to make payments under the Senior Credit Agreement. This may, in turn, adversely affect the ability of the Issuer to make payments in full in respect of the Notes.

Keep open covenants

A number of the occupational leases in respect of the Properties have covenants on the part of the tenant to keep the Property open and trading during specific hours. Generally, the purpose of such covenants is to ensure that anchor stores and units in shopping centres and high streets are open and trading, as their closure could affect the footfall of surrounding shops/units, the landlord's ability to let surrounding shops/units and what the landlord can achieve by way of rents on rent review and lease renewal of such shops/units. There is no recent case law in Ireland on enforcement by a landlord of a keep open covenant. Whilst previously such covenants have been subject to enforcement, the courts in Ireland may decide not to enforce such a keep open covenant in the future.

Examinership risk in respect of certain tenants

If an occupational tenant which is a company were to become subject to examinership, the relevant PropCo would be restricted under section 5 of the Companies (Amendment) Act 1990 from taking

certain action against that occupational tenant for recovery of sums due or re-entry to the relevant premises. In addition, during the examinership in relation to an occupational tenant which is a company, the statutory moratorium means that a landlord requires the consent of the tenant's examiner or (and when a petition has been presented, only with) leave of the court before it is able to enforce rights against that company as tenant to forfeit the tenant's lease by peaceable re-entry onto the premises.

If the tenant is still trading at the premises or has plans to recommence trading with a view to the survival of the company as a going concern, it is possible that the court would refuse to grant such leave to re-enter to the landlord on the grounds that to do so would frustrate the purpose of the examinership and, furthermore, that the court would do so notwithstanding that the examiner was only paying a reduced or even no rent under the terms of the relevant lease. In addition, if a scheme of arrangement is brought forward, the company could, as part of the scheme, repudiate a lease. This could impact on the management of the Properties and could result in an increase in the number of units in each Property which are currently producing no or reduced income from time to time.

Leasing parameters

Some of the occupational leases in respect of each Property are fully inclusive leases, under which the occupational tenants are required to pay a fully inclusive rental payment, which covers, among other things, a service charge element. The tenant may in addition be required to pay a proportion of the relevant PropCo's insurance costs. If service costs were to increase, those occupational tenants who rent units under such fully inclusive leases (which should be unusual) would not be required to contribute to the higher services costs. In addition, the tenant must pay water and general rates (or a fair proportion thereof) to the relevant PropCo or local authority in addition to the inclusive figures.

The level of service charges payable by occupational tenants under the occupational leases may differ, but the overall level of service charges payable by all occupational tenants is normally set at a level which is intended to ensure that the landlord recovers from the occupational tenants (taken as a whole) substantially all of the service costs associated with the management and operation of each Property to the extent that the relevant PropCo itself does not itself make a contribution to those costs. However, there are some items of expenditure which the landlord may not be entitled to recover from the occupational tenants, for example, the cost of repairing any defects which were inherent in a Property at the start of any occupational lease, the cost of any rebuilding (as opposed to repair) work at a Property and the costs associated with some major improvements or refurbishments of a Property. Also, to the extent that there is any empty space in its Property, a PropCo will generally experience a shortfall in service charges depending on the portion that is empty.

Late payment or non-payment of rent

There is a risk that rental payments due under the occupational leases on or before the relevant Interest Payment Date will not be paid on the due date or not paid at all. If any payment of rent is not received on or prior to the immediately following Interest Payment Date and any resultant shortfall is not otherwise compensated for from other resources (including any rents received from the other PropCos), there may be insufficient cash available to the PropCos to make payments in respect of the PropCo Loans and the Guarantee, and as a consequence the Borrower may be unable to make payments to the Issuer under the Senior Credit Agreement in full or at all. Such a default by the Borrower may not itself result in a Note Event of Default since the Issuer will have access to other resources as mentioned above (specifically, funds made available under the Liquidity Facility to make certain payments under the Notes). However, no assurance can be given that such resources will, in all cases and in all circumstances, be sufficient to cover any such shortfall and that a Note Event of Default will not occur as a result of the late payment of rent.

Refinancing risk

Unless repaid previously, the Borrower will be required to repay the Senior Loan on the Loan Maturity Date. The ability of the Borrower to repay the Senior Loan in its entirety on the Loan Maturity Date will depend upon, among other things, its ability to find a lender willing to lend to the Borrower (secured against the Properties) sufficient funds to enable repayment of the Senior Loan. If the Borrower cannot find such a lender then the relevant PropCo might be forced into selling the Properties in circumstances which may not be advantageous in order to repay the Senior Loan. If the Properties could not be sold for a sufficient amount to enable repayment of the Senior Loan then the Servicer or the Special Servicer (as appropriate) may decide that enforcement of the relevant Loan Security and trading out of a

Property (via receivership) would be more likely to result in sufficient funds being obtained to enable repayment of the Senior Loan. If trading out of a Property were to continue and/or a Property retained beyond the Final Maturity Date then the Borrower may be unable to meet its obligations to make payments under the Senior Loan and as a consequence the Issuer may be unable to repay the Notes in full on that date. See also "*Reliance on Valuation Report*" below.

Reliance on Valuation Reports

The valuation reports (the **Valuation Reports**) which are reproduced in the section headed "*Valuation Reports*" below are addressed to, among others, the Borrower, the Issuer, Eurohypo, the Trustee, the Lead Manager and Sole Bookrunner and the Manager but may be relied on by each of them only as more fully set out therein.

The Valuer has valued the Properties, as at 12 December 2005, at €500,465,000. However, there can be no assurance that the market value of a Property will continue to be equal to such valuation. As the market value of a Property fluctuates, there is no assurance that this market value will be equal to or greater than the unpaid principal and accrued interest and any other amounts due under the Senior Loan. If a Property is sold following a Loan Event of Default under the relevant Senior Credit Agreement, there can be no assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due under the Senior Loan and therefore such corresponding amounts due under the Notes.

Security over Borrower Accounts

In certain circumstances a charge which purports to be taken as a fixed charge may take effect as a floating charge. Under Irish law, for a charge to be characterised as a fixed charge, among other things, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets, including any bank account into which such proceeds are paid.

Eurohypo (as the Security Agent) will have exclusive signing rights in respect of each of the Borrower's Accounts, though in respect of the General Account only after a Loan Event of Default under the Senior Loan Agreement has occurred. The Senior Credit Agreement will contain provisions requiring the funds in the Borrower's Accounts to be used for specified purposes (see further "*Obligor Transaction Documents and Cashflow – Borrower Accounts*" below). However, there is a risk that if the Security Agent does not exercise the requisite degree of control over the Borrower's Accounts in practice, then a court could determine that the security interests granted in respect of those accounts takes effect as a floating security interest only. In such circumstances the money paid into such accounts could be diverted to pay preferential creditors were a receiver, liquidator, administrator, or examiner to be appointed in respect of that PropCo.

Assignment of rents

The Security Agreement will contain provisions whereby the rent receivable in respect of occupational leases is assigned by way of security to the Security Agent. Notice of the assignment will be given to the occupational tenants prior to or on the Closing Date or, in respect of the MHC Building, the MHC Completion Date and the relevant Obligor will covenant to give notice to any new occupational tenants on and after the Closing Date of such assignment. However, should any notice not be given to a new tenant by the relevant Obligor, such assignment of rents would take effect as equitable assignments only and as such would be subject to any equities or claims, such as rights of set-off, between the landlord and the relevant occupational tenant. The Obligor will covenant in the Senior Credit Agreement not to dispose of or assign assets (such as the rents) to any other party, although if any Obligor did assign the rents in breach of that provision and subsequently gave notice of such unauthorised assignment to the relevant occupational tenant(s), then the relevant assignee's claims would have priority over the rents in question. However, this would constitute a Loan Event of Default entitling the Issuer (as Senior Lender) (subject to the terms of the Intercreditor Agreement) to accelerate its Loan and enforce its Loan Security.

Insurance

The Senior Credit Agreement will provide that the Security Agent is to be named as the co-insured under the insurance policies to be maintained by the relevant PropCo in respect of its Property (the **Insurance Policies**, each an **Insurance Policy**).

If a claim under an Insurance Policy is made, but the relevant insurer under that policy fails to make payment in respect of that claim, this could prejudice the ability of a PropCo to make payments in respect of the PropCo Loan and the Guarantee and, therefore, the Borrower under the Senior Loan, which would in turn prejudice the ability of the Issuer to make payments in respect of the Notes. Under the terms of the Senior Credit Agreement, the relevant PropCo will be required to maintain the Insurance Policies with an insurance company or underwriter that has a long-term credit rating or financial strength rating (or, in the case of a group of insurance companies or underwriters, the weighted average thereof) of "A" (or better) by Fitch and "A" (or better) by S&P or with an insurance company or underwriter that is recommended by the relevant PropCo's insurance broker or is otherwise acceptable to the Senior Facility Agent (acting reasonably).

Except where restricted by the terms of the relevant insurance policy or occupational lease, the proceeds of any Insurance Policy (other than loss of rent or third party liability insurance) must be used, to repay the Senior Loan. Any insurance proceeds not applied towards repairing, restoring or reinstating the Property will be used to repay each Senior Loan Tranche *pro rata* and *pari passu* up to the Senior Allocated Loan Amount. Thereafter any difference between the Senior Release Price and the Senior Allocated Loan Amount will be used to repay the most Senior Loan Tranche then outstanding. The Notes will be redeemed in an amount corresponding to the repayment of each Senior Loan Tranche.

Uninsured losses

The Senior Credit Agreement will also contain provisions requiring each PropCo to carry or procure the carrying of insurance with respect to its Property in accordance with specified terms (as to which, see further "*Obligor Transaction Documents and Cashflow – Senior Credit Agreement – Undertakings*" below). There are, however, certain types of losses (such as losses resulting from war, terrorism (which, within certain limits, is currently covered by the existing insurances), nuclear radiation, radioactive contamination and heave or settling of structures) which may be or become either uninsurable or not insurable at economically viable rates or which for other reasons are not covered, or required to be covered, by the required Insurance Policies. A PropCo's ability to pay in respect of the relevant PropCo Loan and the Guarantee (and, consequently, the Borrower's ability to pay under the Senior Credit Agreement and the Issuer's ability to make payments on the Notes) might be adversely affected if such an uninsured or uninsurable loss were to occur, to the extent that such loss is not the responsibility of the occupational tenants pursuant to the terms of their occupational leases.

Hedging risks

The Senior Loan will bear interest at a floating rate. The income of the PropCos (which is comprised, primarily, of the rental income in respect of its Property) does not vary according to prevailing interest rates. Therefore, in order to protect the Borrower (and, consequentially, the Issuer) against the risk that the interest rates payable under the Senior Loan may increase whilst the PropCos' and the Borrower's income may not increase accordingly, the Borrower has entered into and, under the terms of the Senior Credit Agreement, will be required to maintain certain hedging arrangements with a Senior Hedge Counterparty to hedge against this risk. See further "*Obligor Transaction Documents and Cashflows – Senior Credit Agreement – Senior Hedging Obligations*".

If the Borrower or a Senior Hedge Counterparty were to default in their respective obligations under the relevant Senior Hedging Arrangements, then the Borrower may have insufficient funds to make payments due at that time in respect of the Senior Loan. In these circumstances the Issuer may not have sufficient funds to make payments in full on the Notes and Noteholders could, accordingly, suffer a loss.

Planning matters

Each PropCo has confirmed by way of the relevant Certificate of Title that its Property has been constructed in substantial compliance with all relevant planning legislation save as disclosed in such Certificate of Title and, as far as it is aware, there are no material breaches of planning control existing on the relevant Property save as disclosed in such Certificate of Title and excluding any occupational tenants works or uses. In this regard, it should be noted that where occupational tenants are in breach of planning obligations or conditions, they would be required under the terms of their occupational lease to take responsibility for such breach. Failure to comply with planning obligations or conditions could give rise to planning enforcement or other compliance action by the local planning authority. There will be a number of ongoing planning obligations or restrictions relating to certain elements of a

Property. Outstanding sums due under planning obligations deem the planning permission not to be valid until payment of the obligation charge.

Environmental matters

An owner or occupier of land may be held liable to carry out clean-up works or to fund the clean-up costs or pay fines or suffer imprisonment for environmental damage in circumstances where that person is found to have caused or permitted the pollution to occur. Liability would remain with that person after disposal of the contaminated land. An owner or occupier of land that has been contaminated by a third party is the "holder" of waste and may be held liable to carry out clean-up works or to fund clean-up costs. The relevant liability arises under Irish waste, water and air pollution legislation. There is no specific contaminated land legislation in Ireland. The key element in establishing liability in an environmental context is "control". An owner or occupier of land may be held liable for pre-existing and future contamination which occurs whilst the property is in the control of the owner or occupier. The term "owner" would include anyone with a proprietary interest in the property. Even if more than one person is responsible for the contamination, any person who comes within the relevant environmental legislative provision may be held jointly and severally liable for all the clean-up costs involved. The "polluter pays" principle applies under Irish law and the Irish High Court has imposed liability for clean-up costs on the directors of companies which caused or knowingly permitted environmental pollution.

If any environmental liability were to exist in respect of a Property, neither the Borrower, the Issuer nor the Security Agent should incur responsibility for such liability prior to enforcement of the relevant Obligor Security, unless it can be established that the Issuer, the Borrower or the Security Agent had entered into possession of the affected property or could be said to be in control of the affected property. After enforcement, the Security Agent, if deemed to be a mortgagee in possession, or through there being a receiver appointed on behalf of the Security Agent, could be held liable under the applicable Irish legislation. The Security Agent will be indemnified against any such liability under the terms of the Senior Credit Agreement and will be paid in priority to any payments due to the issuer (as Lender), could become responsible for environmental liabilities in respect of the relevant Property.

If an environmental liability arises in relation to a Property and is not remedied, or is not capable of being remedied, this may result in an inability to let the relevant Property, either at all or at full market rent, or to sell the relevant Property, or in a reduction in the price obtainable on sale of the Property resulting in sale at a loss. This, in turn, may result in a reduction in the amounts available to the Issuer to fund payments of principal and interest due on the Notes. In addition, under the waste management legislation, a "holder" of waste (such as contaminated land) may not transfer title in the waste to an unauthorised person. In this regard, whilst the property may have been sold, the vendor may retain legal title to and responsibility for the contaminated land that was once in its control. It may therefore be necessary to incur the cost of remedying the environmental problem prior to sale.

In addition, third parties may sue a current or previous owner, occupier or operator of the site for damages and costs resulting from substances emanating from that site, or the presence of substances on the Property. Such responsibility for claims might be grounded in negligence, nuisance, trespass to land and trespass to the person.

It should be noted that previous site investigations and surveys recommendations in respect of each Property have been reviewed and though certain recommendations as to works and ongoing maintenance were made, it was concluded that the Properties were in good condition and should require only regular maintenance.

Compulsory purchase

Any property (such as the Properties), or part thereof, may at any time be compulsorily acquired by, among others, a local or public authority or a governmental department, generally in connection with proposed redevelopment or infrastructure projects. No such compulsory purchase proposals have been revealed in the Certificate of Title issued in relation to each Property.

However, if a compulsory purchase order is made in respect of the Properties (or part of each Property), compensation would be payable on the basis of what a willing seller in the open market may realise at such time. Following such a purchase the tenants would cease to be obliged to make any further rental payments to the relevant PropCo under the relevant occupational lease (or rental payments would be reduced to reflect the compulsory purchase of a part of its Property if applicable).

The risk to Noteholders is that the amount received from the proceeds of purchase of the freehold, or leasehold estate of such Property, may be less than the original value ascribed to it.

It should 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 level of compensation. Such a delay may, unless the Borrower has other funds available to it, cause the relevant PropCo to have insufficient funds to make payments in full in respect of the PropCo Loans and the Guarantee and therefore the Borrower to have insufficient funds to make payments under the Senior Loan which may thereby affect the Issuer's ability to make payments under the Notes.

Frustration

In exceptional circumstances, a tenancy could be frustrated under Irish law, with the result that the parties need not perform any obligation arising under the relevant agreement after the frustration has taken place. Frustration may occur where superseding events radically alter the continuance of the arrangement under the agreement for a party to the agreement, so that it would be inequitable for such an agreement or agreements to continue. If a tenancy granted in respect of the Property were to be frustrated then this could operate to have an adverse effect on the income derived from, or able to be generated by, such Property. This in turn could cause the Borrower to have insufficient funds to make payments in full in respect of the Senior Credit Agreement, which could lead to a default thereunder.

Mortgagee in Possession Liability

The Security Agent or the Issuer may (on enforcement of its security interest) be deemed to be a mortgagee in possession in relation to a Property if it physically enters into possession of the Property or performs an act of control or influence which may amount to possession, such as submitting a demand direct to tenants requiring them to pay rents to the Security Agent. In a case where it is necessary to initiate enforcement procedures in respect of a Property, the Security Agent is likely to appoint a receiver to collect the rental income on behalf of itself and the other Obligor Secured Creditors. This in itself should not have the effect that the Security Agent or the Issuer is deemed to be a mortgagee in possession.

The Trustee holds security granted by the Issuer in respect of, among other things, the Notes, including security over the Issuer's Interest in the Security Agreement. It is unlikely, in light of the nature of the security interests held by the Trustee that the Trustee, could be held liable as a mortgagee in possession of a Property.

A mortgagee in possession of land in Ireland has an obligation to account for the income obtained from the relevant property and in the case of tenanted property will be liable to a tenant for any mismanagement of the relevant property. A mortgagee in possession may also incur liabilities to third parties in nuisance and negligence and, under certain statutes (including environmental legislation), can incur the liabilities of a property owner.

Risks relating to conflicts of interest

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

There will be no restrictions on either the Servicer or the Special Servicer preventing them from acquiring Notes or any interest in the Junior Loan or servicing loans for third parties, including the Junior Loan and loans similar to the Senior Loan. The properties securing any such loans may be in the same market as the Properties. Consequently, personnel of the Servicer or the Special Servicer, as the case may be, may perform services on behalf of the Issuer with respect to the Senior Loan at the same time as they are performing services on behalf of other persons with respect to similar loans. Despite the requirement on each of the Servicer and the Special Servicer to perform their respective servicing obligations in accordance with the terms of the Servicing Agreement (including the Servicing

Standard), such other servicing obligations may pose inherent conflicts for the Servicer or the Special Servicer.

The Servicing Agreement will require the Servicer and the Special Servicer to service the Senior Loan in accordance with the Servicing Standard. Certain discretions are given to the Servicer and the Special Servicer in determining how and in what manner to proceed in relation to the Senior Loan. Further, as the Servicer and the Special Servicer may each acquire Notes or an interest in the Junior Loan, either of them could, at any time, hold any or all of the most junior class of Notes outstanding from time to time, and the holder of that class may have interests which conflict with the interests of the holder of the Notes, or more senior classes of Notes. However, the Servicer and the Special Servicer will be required under the Servicing Agreement to act in the best interests of all of the Noteholders.

Appointment of substitute Servicer

Prior to or contemporaneously with any termination of the appointment of the Servicer, it would first be necessary for the Issuer to appoint a substitute Servicer approved by the Trustee. The ability of any substitute Servicer to administer the Senior Loan successfully would depend on the information and records then available to it. There is no guarantee that a substitute Servicer could be found who would be willing to administer the Senior Loan at a commercially reasonable fee, or at all, on the terms of the Servicing Agreement (even though the Servicing Agreement will provide for the fees payable to a substitute Servicer to be consistent with those payable generally at that time for the provision of commercial mortgage administration services). The fees and expenses of a substitute Servicer would be payable in priority to payments due under the Notes.

Receivership of an Obligor

Pursuant to the Servicing Agreement, the Servicer is required to take all reasonable steps to recover amounts due from the Obligors, and to comply, together with the Security Agent, with the procedures for enforcement of the Loan Security and the Related Security current from time to time. The principal remedies available following a default in respect of the Senior Loan, as contemplated by the Servicer's enforcement procedures, are the appointment of a receiver over the Property and/or entering into possession of the Irish Property.

The Servicer's usual practice would be to require the Security Agent to appoint a receiver. The receiver's powers derive not only from the mortgage under which he has been appointed but also from the Irish Conveyancing Acts, 1881 to 1911. A receiver is deemed by law to be the agent of the entity providing security until the commencement of liquidation proceedings against such entity and so, for as long as the receiver acts within his powers he will only incur liability on behalf of the entity providing security. If, however, the Security Agent or the Trustee or the Servicer on behalf of the Issuer, unduly directs or interferes with and influences the receiver's actions, a court may decide that the receiver is the Security Agent's or the Trustee's agent and the Security Agent or the Trustee should be responsible for the receiver's acts.

(B) General considerations

Reliance on warranties

Neither the Issuer nor the Trustee has independently undertaken any investigations as to the accuracy of the various representations given by the Obligors in respect of the Senior Loan, the Loan Security and related matters. Instead, they will rely on the representations and warranties to be given by the Obligors under the Senior Credit Agreement, the Certificates of Title, the building condition and environmental report on each Property prepared by Arup and the Valuation Reports.

Security over book debts

The holder of a fixed security over the book debts of an Irish tax resident company may be required by the Irish Revenue Commissioners, by notice in writing, to pay to them sums equivalent to those which the holder later receives in payment of debts due to it by the company. Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the notice in question from the Irish Revenue Commissioners. The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account

or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question. In relation to the disposal of assets of an Irish tax resident company that are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security. For more information on capital gains tax in respect of the Obligor, see above "*Risk Factors – Considerations relating to the Senior Loan, the PropCos and the Properties – Capital Gains Tax*".

European Union Directive on the Taxation of Savings Income

On 3 June 2003, the European Council of Economic and Finance Ministers adopted EU Council Directive 2003/48/EC on the Taxation of Savings Income. Under this Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

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 relevant 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 will not be obliged to withhold or deduct tax pursuant to this Directive.

Implementation of Basel II risk-weighted asset framework

The Basel Committee on Banking Supervision published the text of the new capital accord on 26 June 2004 under the title *Basel II: International Convergence of Capital Management and Capital Standards: a Revised Framework* (the **Framework**). This Framework will serve as the basis for national rule-making and approval processes to continue and for banking organisations to complete their preparations for implementation of the new Framework. The committee confirmed that it is currently intended that the various approaches under the Framework will be implemented in stages, some from year-end 2006; the most advanced at year-end 2007. If implemented in accordance with its current form, the Framework could affect risk weighting of the Notes in respect of certain investors if those investors are subject to the new Framework (or any legislative implementation thereof) following its implementation. Consequently, investors should consult their own advisers as to the consequences to and effect on them of the proposed implementation of the new Framework. No predictions can be made as to the precise effects of potential changes which might result if the Framework were adopted in its current form.

Insolvency

Where a company has its registered office in Ireland (which would include, without limitation, the Issuer, the Borrower, each PropCo, each PropHoldCo, CMH, Intermediate HoldCo, the Intermediate Parent, Option GrantCo, Option Co and Option HoldCo), there is a rebuttable presumption that its centre of main interest, for the purposes of any collective proceedings under Council Regulation EC No. 1346/2000 (the **European Union Insolvency Regulation**), is in Ireland and consequently it is likely that any insolvency proceedings applicable to it would be governed by Irish law.

In an insolvency of an Irish company, the claims of certain preferential creditors (including the Irish Revenue Commissioners for certain unpaid taxes) will rank in priority to claims of unsecured creditors and claims secured by floating charges. In addition, when applying the proceeds of assets subject to fixed security that have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company that have been approved by the Irish courts (see "*Examinership*" below) and certain capital gains tax liabilities (see "*Capital Gains Tax Liability*" above).

Examinership

Examinership is a court protection procedure available under Irish law to facilitate the survival of Irish companies in financial difficulties. Pursuant to the Companies (Amendment) Act, 1990 (the **CAA 1990**), an examiner may be appointed to a company by a petition to the Irish High Court (the **Court**) in circumstances where: (a) a company is or is likely to be unable to pay its debts, within the meaning of Section 2 of the CAA 1990 (a **Section 2 Examinership**); or (b) if an examiner has or is being appointed in respect of a company "related" to the relevant company, within the meaning of Section 4 of the CAA 1990 (a **Section 4 Examinership**). During the period of examinership, there is an immediate moratorium on the taking of enforcement action by any creditors of the company to whom the examiner is appointed (which would include enforcement of the relevant Obligor Security where the relevant Obligor was subject to such proceedings) and a prohibition relating to payment of any debts accruing prior to the presentation of a petition until the earlier of the dismissal of the petition or the expiry of the period of examinership, subject to certain limited exceptions. Any period of examinership should, other than in exceptional circumstances, expire on or before 100 days after presentation of a petition.

With respect to a Section 2 Examinership, the transactions described in this Offering Circular have been structured to limit both the class of creditors who could present a petition for the appointment of an examiner against the Obligors, the Intermediate Parent and Option GrantCo and the ability of any such creditor to take any such action. Furthermore the deferral of interest under the PropCo Loans, the Senior Loan and the Junior Loan and the limited resource nature of such loans (though in respect of the Borrower's obligations under the Senior Credit Agreement and the Junior Credit Agreement as to principal and all other amounts other than interest only) are intended to protect against the Obligors becoming unable to pay their debts as they fall due.

Where an examiner is appointed, the examiner is required to formulate a scheme of arrangement to ensure the survival of the company and the whole or any part of its undertaking as a going concern (a **Scheme of Arrangement**). Upon the presentation of a petition for the appointment of an examiner, under its terms all amounts would be due in respect of the Senior Loan Agreement. In the absence of additional investment, the relevant PropCo would be required to sell its property assets. As the relevant PropCo will have covenanted in the Senior Credit Agreement not to undertake any other business other than the ownership of the relevant Property and matters ancillary to this, it is unlikely that the relevant PropCo could, on this basis, continue as a going concern.

However, should an examiner be appointed by the Court, it would be generally necessary for there to be sufficiently unusual or compelling circumstances for the Court to approve a Scheme of Arrangement which would place the Obligor Secured Creditors in a worse position than if they had enforced their security or in a winding-up of the relevant company, taking into account the full amount of the interest, principal and other amounts due to the Obligor Secured Creditors. Having regard to the unlikelihood of any sufficiently unusual or compelling circumstances arising in respect of the survival of a special purpose entity such as any of the Obligors, the Intermediate Parent and Option GrantCo (which will covenant as outlined in the preceding paragraph and will also covenant to have no employees), it is highly unlikely that a Court would approve a Scheme of Arrangement which sought to reduce, or resulted in the reduction of, the amounts payable to the Obligor Secured Creditors or, in respect of Options GrantCo, OptionCo below that which they would have received on an enforcement or in a winding-up of the relevant Obligors, the Intermediate Parent or Option GrantCo, as applicable.

It is not possible to structurally minimise the risk of a Section 4 Examinership. However, in deciding whether to appoint an examiner in such circumstances, the Court would have regard to whether the appointment to the relevant Obligor, the Intermediate Parent or Option GrantCo, as applicable would be likely to facilitate the survival of the related company, the relevant Obligor company, the Intermediate Parent or Option GrantCo, as applicable, and the whole or any part of its or their undertakings as a going concern. Each Obligor, the Intermediate Parent and Option GrantCo, will covenant that its business activities will be separate and strictly segregated from that of any other company. On the basis that the Obligor, the Intermediate Parent or Option GrantCo, as applicable, remains solvent as at such date, any appointment would not assist the survival of such Obligor, the Intermediate Parent or Option GrantCo, as applicable. Further, even if an examiner was appointed to an Obligor, the Intermediate Parent or Option GrantCo, as applicable, on this basis, a Court would not approve any Scheme of Arrangement which favoured the creditors of a related company over the interests of creditors of the relevant Obligor, the Intermediate Parent or Option GrantCo, as applicable, as noted above. In any event, subject to the foregoing analysis, it is highly unlikely that a court would

approve a Scheme of Arrangement where the Obligor Secured Creditors or, in respect of Option GrantCo, OptionCo would receive less in the Scheme of Arrangement than they otherwise would on enforcement of security or in a winding-up of the relevant Obligor, the Intermediate Parent or Option GrantCo as applicable, taking into account any principal, interest and other amounts due in respect of the Obligor Secured Obligations or, in respect of Option GrantCo, under the Option Agreement.

Any failure of an Obligor to pay an amount due under the Senior Credit Agreement during such period could have an adverse effect on the ability of the Issuer to make payments in respect of the Notes. However, as noted above the Issuer will have access to other resources (specifically funds made available under the Liquidity Facility to make certain payments in respect of the Notes). However, no assurance can be given that such resources will, in all cases and in all circumstances, be sufficient to cover any shortfall or that the PropCos would continue to make payments on the PropCo Loans and the Guarantee or the Borrower would continue to make payments on the Senior Loan, and consequently that the Issuer would continue to make payment on the Notes, during a period of examinership.

Risks relating to the Introduction of International Financial Reporting Standards

The Irish tax position of the Issuer depends to a significant extent on the accounting treatments applicable to it. The accounts of the Issuer are required to comply with International Financial Accounting Standards (**IFRS**) or with generally accepted accounting principles in Ireland (**Irish GAAP**) which has been substantially aligned with IFRS. There was concern that companies such as the Issuer might, under either IFRS or Irish GAAP, be forced to recognise in their accounts movements in the fair value of assets that could result in profits or losses for accounting purposes which bear little relationship to the company's actual cash position. These movements in value would generally have been brought in to charge to tax (if not relieved) as a company's tax liability on such assets broadly follows the accounting treatment. However, the Finance Act 2005 of Ireland provides a solution whereby the taxable profits of a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act 1997 of Ireland, as amended (and, the Issuer believes it will be such a qualifying company) will be based on Irish GAAP as it existed at 31 December 2004 provided that a note of such profits is included in the audited financial statements of the Issuer. It is possible to elect out of this treatment but such an election is irrevocable. If such an election is made, then profits or losses could arise in the Issuer as a result of the application of IFRS or new Irish GAAP that are not contemplated in the cashflows for the transaction and as such may have a negative effect on the Issuer and its ability to make payments to Noteholders. The Issuer has covenanted that no such election will be made and that it will ensure that a note of profits as calculated under Irish GAAP as it existed at 31 December 2004 will be included in its audited financial statements.

New Regulation

The rules on insider trading and market manipulation in respect of securities admitted to trading on an E.U. regulated market require issuers of such securities to disclose any non-public, price sensitive information as soon as possible, subject to certain limited exemptions. The listing of Notes on the Official List of the Irish Stock Exchange and the admission of the Notes to trading on the regulated market of the Irish Stock Exchange will subject the Issuer to regulation under the Market Abuse Directive (Directive 2003/6/EC). The Trust Deed will not require the Issuer to maintain a listing for Notes on an E.U. stock exchange if compliance with the Market Abuse Directive or the Prospectus Directive (Directive 2003/71/EC) (or other requirements adopted by the European Commission or relevant member State) is agreed by the Note Trustee to be unduly onerous.

Change of law

The structure of the issue of the Notes, the ratings which are to be assigned to them and the related transactions described in this Offering Circular are based on Irish and English law and administrative practice in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change to Irish and English law or administrative practice after the date of this document, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Notes.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons. The Issuer does not represent that the above statements regarding the risks of holding the Notes are exhaustive. Although the Issuer believes that the

various structural elements described in this Offering Circular may mitigate some of these risks for Noteholders, there can be no assurance that these elements will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

THE ISSUER

The Issuer, Opera Finance (CMH) p.l.c., was incorporated in Ireland on 28 November 2005 (registered number 411564), as a public company with limited liability under the Companies Acts 1963 to 2005 of Ireland. The registered office of the Issuer is at Trinity House, Charleston Road, Ranelagh, Dublin 6 and its contact telephone number is +353 1 491 4055. The Issuer has no subsidiaries.

1. Principal Activities

The principal objects of the Issuer are set out in clause 3 of its memorandum of association and are, among other things, to lend money and give credit, secured and unsecured, to borrow or raise money howsoever it sees fit, including by the creation and issue of bonds, debentures, notes or other securities, to secure the payment of money to grant security over its property for the performance of its obligations or the payment of money. The Issuer was established for the limited purposes of the issue of the Notes, the making of the Senior Loan and certain related transactions described elsewhere in this document.

The Issuer has not commenced operations and has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a public limited company under the Companies Acts 1963 to 2005 of Ireland, the authorisation of the issue of the Notes and of the other documents and matters referred to or contemplated in this Offering Circular and matters which are incidental or ancillary to the foregoing.

The Issuer will covenant to observe certain restrictions on its activities which are detailed in the Conditions, the Issuer Deed of Charge and the Trust Deed and will be limited to the issue of the Notes, the making of the Senior Loan, the exercise of related rights and powers and the other activities described in this document. See further Condition 4.1.

2. Directors and Secretary

The directors of the Issuer (and their alternates) and their respective business addresses and other principal activities are:

| Name | Business Address | Other Principal Activities |
|--------------------|--|-----------------------------------|
| John Walley | 6th Floor, Block 3 Harcourt Centre Harcourt Road Dublin 2 | Consultant |
| John Gerard Murphy | Blessington Road Tallaght Dublin 24 | Financial Officer |

The company secretary of the Issuer is the Issuer Corporate Services Provider a company incorporated in Ireland (registered number 331206), whose business address is Trinity House, Charleston Road, Ranelagh, Dublin 6.

The Issuer Corporate Services Provider will, under the terms of the Corporate Services Agreement to be entered into on or about the Closing Date between the Issuer and the Issuer Corporate Services Provider, provide certain corporate services to the Issuer and provide related corporate administrative and company secretarial services. The Corporate Services Agreement may be terminated by either the Issuer or the Issuer Corporate Services Provider upon 30 days' written notice (with a copy to the Rating Agencies). Such termination shall not take effect until a replacement corporate services provider has been appointed.

Capitalisation and Indebtedness

The capitalisation and indebtedness of the Issuer as at the date of this Offering Circular, adjusted to take account of the issue of the Notes, is as follows:

| Authorised Share Capital € | Issued Share Capital € | Value of each Share € | Number of Shares paid up as to 0.25 % € | Paid Up Share Capital € |
|---|---|--|--|--|
| 40,000..... | 40,000 | 1 | 40,000 | 10,000 |

40,000 of the issued shares (being 40,000 shares of €1 each, each of which is paid up as to 0.25 per cent.) in the Issuer are held by the Issuer Share Trustee and its nominees. The Issuer Share Trustee will hold its interest in the shares of the Issuer on trust for charitable purposes under the terms of the Issuer Share Trust Deed.

Loan Capital

| | |
|---|--------------|
| Class A Commercial Mortgage Backed Floating Rate Notes due 2015..... | €250,000,000 |
| Class B Commercial Mortgage Backed Floating Rate Notes due 2015..... | €50,000,000 |
| Class C Commercial Mortgage Backed Floating Rate Notes due 2015 | €40,000,000 |
| Class D Commercial Mortgage Backed Floating Rate Notes due 2015 | €35,000,000 |
| Total Loan Capital | €375,000,000 |

Except as set out above, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities and the Issuer has not created any mortgages or charges nor has it given any guarantees as at the date of this Offering Circular.

4. Financial Information

The Issuer will publish annual reports and accounts. The Issuer has not prepared audited financial statements as at the date of this Offering Circular. Reports and accounts published by the Issuer will, when published, be available for inspection during normal office hours at the specified office of the Irish Paying Agent.

The Issuer has appointed KPMG of 1 Stokes Place, St Stephen's Green, Dublin 2, as its auditors. KPMG is a member of the institute of chartered accountants in Ireland.

THE BORROWER

The Borrower, CMH CMBS Borrower Limited, was incorporated in Ireland on 10 January 2006 (registered number 413615) as a private company with limited liability under the Companies Acts 1963 to 2005 of Ireland. The registered office of the Borrower is at The Warehouse, Barrow Street, Grand Canal Docks, Dublin 4 and its contact telephone number is + 353 1 618 9300.

The authorised share capital of the Borrower is €1,000, divided into 1,000 shares of €1 each, 100 of which have been fully paid up and are held by Intermediate HoldCo.

1. Principal Activities

The principal objects of the Borrower are set out in clause 2 of its memorandum of association, which provides that the principal objects of the company are among other things:

To borrow or raise or secure the payment of money howsoever it sees fit, in particular by the entry into of loan agreements (either senior or subordinated), the issue of debentures or debenture stock, charged and/or secured upon all or any of the Borrower's undertaking property, both present and future, and to lend money and to extend credit, on such terms and in such manner as the Borrower thinks fit.

The Borrower has not commenced operations and has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a private limited company under the Companies Acts 1963 to 2005 of Ireland, the authorisation of the documents and matters referred to or contemplated in this Offering Circular and matters which are incidental or ancillary to the foregoing.

2. Directors and Secretary

The directors of the Borrower and their respective business addresses and other principal activities are:

| <u>Name</u> | <u>Business Address</u> | <u>Other Principal Activities</u> |
|-----------------|---|--|
| John Ronan | The Warehouse Barrow Street Grand Canal Docks Dublin 4 | Company Director and Property Developer |
| Richard Barrett | The Warehouse Barrow Street Grand Canal Docks Dublin 4 | Company Director and Property Developer |

The company secretary of the Borrower is Rory Williams, whose business address is The Warehouse, Barrow Street, Grand Canal Docks, Dublin 4. The Borrower has no employees.

3. Capitalisation and Indebtedness Statement

The capitalisation and indebtedness of the Borrower on or about the Closing Date adjusted to take account of the Senior Loan and the Junior Loan, is as follows:

| <u>Authorised Share Capital</u> | <u>Issued Share Capital</u> € | <u>Value of each Share</u> € | <u>Number of Shares fully paid up</u> € | <u>Paid up Share Capital</u> € |
|---------------------------------|----------------------------------|---------------------------------|--|-----------------------------------|
| €1,000..... | 1,00 | 1 | 100 | 100 |

100 of the issued shares (being 100 ordinary shares of €1 each, each of which is fully paid up) in the Borrower are held by the Intermediate HoldCo.

Loan Capital

| | |
|--------------------------|--------------|
| Senior Loan | €375,000,000 |
| Junior Loan..... | €50,000,000 |
| Total Loan Capital | €425,000,000 |

Except as set out above, the Borrower has no outstanding loan capital, borrowings, indebtedness or contingent liabilities and the Borrower has not created any mortgages or charges nor has it given any guarantees as at the date of this Offering Circular.

4. Financial Information

The Borrower will publish annual reports and accounts. The Borrower has not prepared audited financial statements as at the date of this Offering Circular. Reports and accounts published by the Borrower will, when published, be available for inspection during normal office hours at the specified office of the Irish Paying Agent.

The Borrower has appointed KPMG of 1 Stokes Place, St Stephens Green, Dublin 2 as its auditors. KPMG is a member of the institute of chartered accountants in Ireland.

DESCRIPTION OF THE PROPERTIES

Introduction

The Portfolio comprises 16 Properties located in Ireland, 15 of which are located in Dublin and one in Cork. The Portfolio has a total floor area of 675,038 sq ft, with approximately 80 tenants and 108 lease agreements.

The initial valuation conducted by DTZ Sherry Fitzgerald (as **Valuer**) as at 12 December 2005 valued the Portfolio at €500,465,000 using passing rent of €27,009,911 per annum and an estimated rental value of €28,179,558 per annum.

Set out below are certain summaries of the Portfolio and historical operating results for the properties.

Portfolio Summary

The Portfolio constitutes CMH's core investment portfolio and consists of 16 properties. Ten are office properties located in central Dublin and the remaining six are retail properties of which four are located in central Dublin (35 Henry Street, 3 College Green, 16 Westmoreland Street and 18 Fleet Street), one in greater Dublin (Stillorgan Shopping Centre) and one in central Cork (Patrick Street). In terms of Portfolio value, 62 per cent. of the properties are office and 38 per cent. are retail. The largest property in the Portfolio is the Stillorgan Shopping Centre, representing 29.4 per cent. of the Portfolio by value.

| | Property | Location | Type | Property Value | % | Passing Rent (€) | ERV (€) | Area (sq ft) | Weighted Average Lease Expiry ⁽¹⁾ |
|----|---|----------------|--------|--------------------|---------------|-------------------|-------------------|----------------|--|
| 1 | Stillorgan Shopping Centre | Greater Dublin | Retail | 147,365,000 | 29.4% | 8,027,389 | 8,667,051 | 141,478 | 9.5 |
| 2 | Russell Court Block A | Dublin | Office | 23,480,000 | 4.7% | 1,200,000 | 1,200,000 | 34,607 | 11.5 |
| 3 | Russell Court Block B/C | Dublin | Office | 50,260,000 | 10.0% | 2,800,000 | 2,800,000 | 82,301 | 11.5 |
| 4 | Russell Court Block D | Dublin | Office | 14,380,000 | 2.9% | 889,723 | 889,723 | 20,893 | 7.0 |
| | <i>Total: Russell Court</i> | | | <i>88,120,000</i> | <i>17.6%</i> | <i>4,889,723</i> | <i>4,889,723</i> | <i>137,801</i> | <i>10.7</i> |
| 5 | 40/41 Mespil Road | Dublin | Office | 87,330,000 | 17.4% | 4,135,190 | 4,440,000 | 119,836 | 22.4 |
| 6 | MHC Building, 35/36 Barrow Street | Dublin | Office | 55,760,000 | 11.1% | 2,896,466 | 2,896,466 | 60,896 | 25.0 |
| 7 | Baggot Buildings 27/33 Upper Baggot Street | Dublin | Office | 47,870,000 | 9.6% | 3,200,000 | 3,200,000 | 88,787 | 7.9 |
| 8 | Marks & Spencer, Merchants Quay Shopping Centre, Cork | Cork | Retail | 27,860,000 | 5.6% | 1,350,000 | 1,500,000 | 74,626 | 81.5 |
| 9 | The Warehouse, Barrow Street, | Dublin | Office | 16,700,000 | 3.3% | 1,021,905 | 1,021,905 | 21,614 | 19.7 |
| 10 | 35 Henry Street | Dublin | Retail | 7,310,000 | 1.5% | 241,250 | 305,600 | 3,208 | 9.5 |
| 11 | Charlemont House, Charlemont Place | Dublin | Office | 7,010,000 | 1.4% | 410,000 | 410,000 | 9,447 | 4.5 |
| 12 | Crescent Hall, Mount Street Crescent | Dublin | Office | 4,480,000 | 0.9% | 252,850 | 252,850 | 5,375 | 3.8 |
| 13 | 3 College Green | Dublin | Retail | 4,275,000 | 0.9% | 250,138 | 250,138 | 3,461 | 22.4 |
| 14 | 41 St Stephen's Green | Dublin | Office | 2,875,000 | 0.6% | 160,000 | 160,000 | 4,010 | 13.8 |
| 15 | 16 Westmoreland Street | Dublin | Retail | 2,645,000 | 0.5% | 140,000 | 140,000 | 3,649 | 26.5 |
| 16 | 18 Fleet Street | Dublin | Retail | 865,000 | 0.2% | 35,000 | 45,825 | 850 | 19.8 |
| | <i>Total</i> | | | <i>500,465,000</i> | <i>100.0%</i> | <i>27,009,911</i> | <i>28,179,558</i> | <i>675,038</i> | <i>17.3</i> |

(1) Weighted average lease expiry to the earlier of lease expiry or first break; cut-off of 31 December 2005.

A brief description of the ten largest properties by market value, accounting for 95.6% of the Portfolio value, follows below:

Stillorgan Shopping Centre (29.4% of value)

Property Type: Shopping Centre
 Passing Rent: €8,027,389
 Weighted Average Lease Expiry: 9.5 years
 Principal Tenant: Tesco Ireland Limited

Description

Stillorgan is Ireland's first custom built shopping centre located in a densely populated and relatively affluent suburban area south of Dublin. Although dated, the centre is generally in a good state of repair. The shopping centre, which is not enclosed, consists of two main shopping malls and external units on two sides overlooking the car park. There are 735 car parking spaces including an overflow car park.

Competition

A competing shopping complex with in excess of 795,000 sq ft of retail space, the Dundrum Shopping Centre, opened in March 2005. While the new complex has drawn shoppers from surrounding centres,

including Stillorgan, this has been less significant than expected. The emphasis of Dundrum Shopping Centre is on mid- to up-market labels previously only available within Dublin city centre. In the longer run, Dundrum is anticipated to compete more with Dublin city centre than district shopping centres like Stillorgan.

Business plan

A Planning application for redevelopment has been lodged with a decision expected in Q2 2006. This new scheme provides for a centre with retail trading predominantly at ground floor with a gross retail area of 194,236 sq ft. This extension would provide valuable retail space but can only be built with the co-operation of the existing tenants. The Senior Loan in respect of the Stillorgan Shopping Centre would be repaid prior to the redevelopment taking place. In the event that a redevelopment is not pursued, an alternative plan exists which foresees the upgrading and modernisation of the car park and common areas.

Russell Court Blocks A, B, C & D (17.6% of value)

| | |
|--------------------------------|------------|
| Property Type: | Office |
| Passing Rent: | €4,889,723 |
| Weighted Average Lease Expiry: | 10.7 years |
| Principal Tenant: | KPMG |

Description

Russell Court is located on the southwestern corner of St. Stephens' Green in Dublin's prime office area. The complex comprises a modern office development completed in 1981/1982. The scheme includes four principal office blocks. The buildings enclose a private courtyard area with private roadway providing access from both St. Stephen's Green and Harcourt Street.

The property is in use as offices throughout with the exception of the basement which provides both storage accommodation and plant room facilities.

Business plan

Hold as an investment property with potential long-term development prospects.

40/41 Mespil Road (17.4% of value)

| | |
|--------------------------------|-----------------|
| Property Type: | Office |
| Passing Rent: | €4,135,190 |
| Weighted Average Lease Expiry: | 22.4 years |
| Tenant: | Bank of Ireland |

Description

The property is situated approximately one mile to the south east of the city centre on the south side of Mespil Road, overlooking the Grand Canal and close to Baggot Street Bridge.

This was formerly a residential area with large houses spread along wide tree lined streets. Over the past 30 years several major office blocks have been developed in the vicinity and it is now one of the most popular and prestigious office locations, lying mid-way between St. Stephen's Green and Ballsbridge.

Major occupiers in the area include Allianz, EBS, PricewaterhouseCoopers and the Department of Arts, Culture and the Gaeltacht.

Business plan

Hold as an investment property.

MHC Building, 35/36 Barrow Street (11.1% of value)

| | |
|--------------------------------|----------------------|
| Property Type: | Office |
| Passing Rent: | €2,896,466 |
| Weighted Average Lease Expiry: | 25.0 years |
| Tenant: | Mason Hayes + Curran |

Description

The MHC building will form part of the Loan Security only once, amongst other things, achievement of practical completion of the Developer's works has occurred and an occupational lease has been entered into between Candourity CMBS (PropCo) I Limited and Menealos Developments (the **MHC Tenant**) which is guaranteed by the partners of Mason Hayes + Curran Solicitors (the **MHC Guarantors**).

The developer, Candourity Limited (Old PropCo), entered into a development agreement (the **MHC Development Agreement**) dated 20 January 2004 with the MHC Tenant and the MHC Guarantors in respect of the site at 35 Barrow Street, Dublin 4 to build an office building consisting of nine floors of office accommodation. The MHC Development Agreement included an agreement for lease which is guaranteed by the MHC Guarantors. The MHC Tenant was given possession for the purposes of commencing fit-out on 17 August 2005, 6 months before the anticipated date for practical completion of the Developer's Works on 17 February 2006.

The lease is for a term of 25 years commencing from practical completion of the tenants fit out works and the rent commencement date is the date of practical completion of the Developer's works, by which time the MHC Tenant will have exhausted a six month rent free period. The MHC Development Agreement also includes a guarantee from the Developer to pay to the MHC Tenant the rent and outgoings which would otherwise be payable by the MHC Tenant to the landlord in respect of the first floor of the premises for the first five years from the rent commencement date under the Lease until either a sub-tenant takes possession of the first floor (this can be a sub-Lease either granted by the MHC Tenant or granted by the MHC Tenant at the Developer's request) or until the MHC Tenant takes possession of the first floor premises. The first floor consists of approximately 8,116 sq ft and the rent in respect to this space equates to approximately €373,000 per annum (€46 per sq ft). The MHC Tenant will be obliged to pay the full rent to the relevant PropCo. The Developer will enter into a deed of covenant with the relevant PropCo guaranteed by CMH that it will perform its obligations under the MHC Development Agreement.

Business Plan

Hold as an investment property.

27/33 Upper Baggot Street, Baggot Buildings (9.6% of value)

| | |
|--------------------------------|--|
| Property Type: | Office |
| Passing Rent: | €3,200,000 |
| Weighted Average Lease Expiry: | 7.9 years |
| Tenant: | FAS (The Irish Training and Employment Agency) |

Description

The property is situated in an area of mixed commercial and office usage close to the city centre. The building is approximately 30 years old and is the headquarters of FAS, the National Training and Employment Authority. The property is in use as offices throughout with the exception of the ground floor which is a retail-job centre.

Business plan

Hold as an investment property with the potential of long-term development prospects.

Planning permission was received in April 2001 for a comprehensive refurbishment of the existing building and additional new office space of 74,411 sq ft which will give a total area of 163,198 sq ft. This work requires the co-operation of the existing tenant.

Patrick Street, Marks & Spencer Cork (5.6% of value)

| | |
|--------------------------------|-----------------------------------|
| Property Type: | Retail |
| Passing Rent: | €1,350,000 |
| Weighted Average Lease Expiry: | 81.5 years |
| Tenant: | Marks & Spencer (Ireland) Limited |

Description

Large department store situated in the prime retail location in Cork. The building is in good decorative order. Although the property forms part of a larger shopping centre, it is virtually a free standing unit with two retail floors and a third floor for storage and administration offices. There are 35 unit shops in the centre together with Dunnes stores and Roches stores trading on two levels. A multi storey car park adjoins the centre with 800 spaces.

Business plan

Hold as an investment property.

Barrow Street, The Warehouse (3.3% of value)

| | |
|--------------------------------|-------------------------|
| Property Type: | Office |
| Passing Rent: | €1,021,905 |
| Weighted Average Lease Expiry: | 19.7 years |
| Principal Tenant: | Treasury Holdings Group |

Description

Three storey converted warehouse located in a high profile location on Dublin's Grand Canal Dock. The property was extensively refurbished in 2001 to provide attractive open plan office space.

Business plan

Hold as an investment property.

35 Henry Street (1.5% of value)

| | |
|--------------------------------|------------------------------|
| Property Type: | Retail |
| Passing Rent: | €241,250 |
| Weighted Average Lease Expiry: | 9.5 years |
| Principal Tenant: | Birthday's (Ireland) Limited |

The property is located on Dublin's premier north shopping street and the location is underwritten by the presence of the majority of the department stores in Dublin. The property comprises a four-storey-over basement terraced building.

Business plan

Hold as an investment property.

Vacancy

At the Portfolio Valuation Date approximately 2,791 sq ft of space was vacant, representing 0.4 per cent. of Portfolio lettable area. The vacancy relates to five units within the Stillorgan Shopping Centre, two retail and three storage units, with all other properties having 100 per cent. occupancy.

Tenure

Nine properties are held freehold, the remainder on long leaseholds.

Lease Summary

The Portfolio is subject to 108 lease agreements which are all either fully repairing and insuring (FRI) or internal repairing and insuring (IRI). 12 leases have breaks, affecting 6.1 per cent. of Portfolio passing rent. As can be seen in the table below, the larger tenants are under lease agreements with a weighted average remaining life of 20.6 years. Among the ten largest tenants, only the government agency FAS, occupying the premises on Baggot Street, has a weighted average lease duration of under 10 years.

| Tenant | Number of Leases | Weighted Average Lease ⁽¹⁾ Expiry |
|---|------------------|--|
| 1 Bank of Ireland | 2 | 21.7 |
| 2 KPMG | 4 | 11.6 |
| 3 FAS | 1 | 7.9 |
| 4 Mason Hayes + Curran | 1 | 25.0 |
| 5 Marks & Spencer (Ireland) Limited | 1 | 81.5 |
| 6 Tesco Ireland Limited | 7 | 11.5 |
| 7 Treasury Holdings Group | 1 | 19.7 |
| 8 Arnotts Plc | 4 | 10.8 |
| 9 Bolgers Ltd t/a Dunnes Stores | 1 | 16.9 |
| 10 Frank Glennon Limited | 1 | 14.5 |
| Total | 23 | 20.6 |

(1) Weighted average lease expiry to the earlier of lease expiry or first break; cut-off 31 December 2005

Lease Expiry Profile⁽¹⁾

The Portfolio has a weighted average lease expiry of 17.9 years and a weighted average lease expiry earlier of lease expiry or first break of 17.3 years. The table below provides a breakdown of lease expiries and break options weighted by both rent and area.

| Years | 0-5 | 6-10 | 11-15 | 16-25 | 25+ | Total |
|---|-----------|-----------|-----------|-----------|-----------|------------|
| Assuming Tenant Break not exercised | | | | | | |
| rent expiring (€)..... | 4,232,945 | 3,895,600 | 5,003,000 | 9,491,900 | 4,386,466 | 27,009,911 |
| % of total rent | 15.7% | 14.4% | 18.5% | 35.1% | 16.2% | 100.0% |
| space expiring (sq ft) ⁽²⁾ | 72,998 | 100,009 | 136,956 | 223,112 | 139,171 | 672,246 |
| % of total space..... | 10.8% | 14.8% | 20.3% | 33.1% | 20.6% | 99.6% |
| Assuming Tenant Break exercised | | | | | | |
| rent expiring (€)..... | 5,066,361 | 3,971,677 | 5,008,000 | 8,577,407 | 4,386,466 | 27,009,911 |
| % of total rent | 18.8% | 14.7% | 18.5% | 31.8% | 16.2% | 100.0% |
| space expiring (sq ft)..... | 92,526 | 101,932 | 141,373 | 197,244 | 139,171 | 672,246 |
| % of total space..... | 13.7% | 15.1% | 20.9% | 29.2% | 20.6% | 99.6% |

(1) Cut-off for lease expiry profile: 31 December 2005

(2) Excludes vacant space

Concentration of Lease Size

| Lease Size | Number of Leases | Weighted by Passing Rent | Weighted by Space |
|----------------------------|------------------|--------------------------|-------------------|
| 0 - 5,000 sq ft..... | 96 | 30.8% | 17.9% |
| 5,001 - 10,000 sq ft..... | 2 | 3.0% | 2.7% |
| 10,001 - 20,000 sq ft..... | 2 | 2.9% | 4.8% |
| 20,001 - 50,000 sq ft..... | 3 | 10.1% | 11.4% |
| > 50,000 sq ft..... | 5 | 53.2% | 63.2% |
| Total | 108 | 100.0% | 100.0% |

Tenants

Tenant Industry Analysis

Retail (principal tenants: Tesco and Marks & Spencer) forms the largest industry grouping among tenants, accounting for 32.4 per cent. of passing rent. The remaining principal tenant industry groups are financial services (principal tenant: Bank of Ireland) with 16.7 per cent. of passing rent, accounting services (principal tenant: KPMG) with 16.1 per cent. of passing rent, government (principal tenant: FAS, the National Training and Employment Authority) with 12.3 per cent. of passing rent and legal services (principal tenant: Mason Hayes + Curran) with 11.3 per cent. of passing rent.

| Tenant Industry | Passing Rent (€) | % | Area (sq ft) | % |
|----------------------------|-------------------|--------------|----------------|--------------|
| Retail..... | 8,748,815 | 32.4 | 200,317 | 29.7 |
| Financial Services..... | 4,503,666 | 16.7 | 126,950 | 18.8 |
| Accounting Services..... | 4,339,180 | 16.1 | 124,903 | 18.5 |
| Government..... | 3,314,590 | 12.3 | 91,450 | 13.5 |
| Legal Services | 3,056,466 | 11.3 | 64,906 | 9.6 |
| Real Estate | 1,021,905 | 3.8 | 21,614 | 3.2 |
| Restaurant | 990,382 | 3.7 | 21,549 | 3.2 |
| Insurance | 410,000 | 1.5 | 9,447 | 1.4 |
| Other ⁽¹⁾ | 624,907 | 2.3 | 13,902 | 2.1 |
| Total..... | 27,009,911 | 100.0 | 675,038 | 100.0 |

(1) Includes Telecom, Utilities, Professional Services, Manufacturing and Advertising

Tenant Analysis

Bank of Ireland, occupying the premises on 40/41 Mespil Road is the largest tenant in the Portfolio accounting for 15.9 per cent. of passing rent. In aggregate, the ten largest tenants represent 72.2 per cent. of the Portfolio in terms of passing rent and 83.1 per cent. of the portfolio by area. The largest rated tenants, namely Bank of Ireland, FAS (Government, The National Training and Employment Authority), Marks & Spencer and Tesco, represent 36.7 per cent. of passing rent.

| | Tenant | Industry | S&P | Fitch | Passing Rent (€) | % | Area (sq ft) |
|--------------|-----------------------------------|--------------------|-----|-------|-------------------|-------------|----------------|
| 1 | Bank of Ireland | Financial Services | A+ | AA- | 4,292,770 | 15.9 | 121,994 |
| 2 | KPMG | Accounting | NR | NR | 4,224,590 | 15.6 | 122,238 |
| 3 | FAS | Government | AAA | AAA | 3,200,000 | 11.8 | 88,787 |
| 4 | Mason Hayes + Curren | Law Firm | NR | NR | 2,896,466 | 10.7 | 60,896 |
| 5 | Marks & Spencer (Ireland) Limited | Retail | NR | BBB+ | 1,350,000 | 5.0 | 74,626 |
| 6 | Tesco Ireland Limited | Retail | A+ | A+ | 1,060,594 | 3.9 | 38,847 |
| 7 | Treasury Holdings Group | Real Estate | NR | NR | 1,021,905 | 3.8 | 21,614 |
| 8 | Arnotts Plc | Retail | NR | NR | 610,760 | 2.3 | 6,257 |
| 9 | Bolgers Ltd t/a Dunnes Stores | Retail | NR | NR | 425,000 | 1.6 | 16,019 |
| 10 | Frank Glennon Limited | Insurance | NR | NR | 410,000 | 1.5 | 9,447 |
| Total | | | | | 19,492,085 | 72.2 | 560,726 |

VALUATION REPORTS

FILE NO:

OUR REF: EM/f:\valuations\gordon\2005\castlemarket euro
hypo november 2005\castlemarket eurohypo november 2005.doc

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Eurohypo AG London Branch as Senior Facility Agent, Security Agent, Loan Arranger, Note Arranger and Servicer
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Opera Finance (CMH) p.l.c. as Issuer and Senior Lender
Trinity House
Charleston Road
Ranelagh, Dublin 6

Morgan Stanley & Co. International Limited as Lead Manager and Sole Bookrunner
25 Cabot Square
Canary Wharf
London E14 4QA

J&E Davy as Manager
Davy House
49 Dawson Street
Dublin 2

CMH CMBS Borrower Limited as Borrower
The Warehouse
Barrow Street
Grand Canal Dock
Dublin 4

HSBC Trustee (C.I.) Limited as Trustee
1 Grenville Street
St. Helier
Jersey JE4 9PF

12 December 2005

Dear Sirs,

**Re: Castle Market Holdings Limited
Portfolio of sixteen properties**

1.0 INSTRUCTIONS

In accordance with your letter of instruction dated 14 July 2005 we have valued the freehold and long leasehold properties owned by Castle Market Holdings Limited (**CMH**) and referred to in the attached schedule the **Properties** in order to advise you of our opinion of the Market Value of the Properties as at 12 December 2005 subject to existing tenancies as at that date. We are of the opinion that since the date of valuation there has been no diminution in the value of the properties as at 12 December 2005.

We understand that our valuation is required for loan security purposes. The loan will be for a term of seven years and will be securitised.

2.0 INSPECTIONS

The properties were inspected in August 2005 for the purpose of carrying out the valuation by Gordon Gill FRICS, Ivan Gainé MRICS and Johanna Gill MRICS in their capacity as employees of DTZ.

3.0 COMPLIANCE WITH APPRAISAL AND VALUATION STANDARDS AND THE LISTING RULES

We confirm that the valuations have been carried out in accordance with the appropriate sections of both the current Practice Statements (**PS**), and United Kingdom Practice Statements (**UKPS**) contained within the RICS Appraisal and Valuation Standards, 5th Edition (the **Red Book**) as well as the Listing Rules published by the Financial Services Authority.

4.0 STATUS OF VALUER AND CONFLICTS OF INTEREST

We confirm that DTZ Sherry FitzGerald (**DTZ**) act as valuers to CMH, Treasury Holdings Ltd and Havenview Ltd, associate companies of CMH in carrying out annual and bi-annual valuations of their property portfolios. DTZ has undertaken this work for the past seven years.

We further advise that DTZ provide advice to Eurohypo Aktiengesellschaft London Branch as facility agent and security trustee on other real estate assets in different ownerships.

We confirm that this report is objective and independent, undertaken by DTZ as External Valuers and other than mentioned above, we can confirm that we have no other involvement with the Properties. Furthermore, we can confirm that fees earned from Treasury Holdings and associated companies on an annual basis are not material in the context of the turnover of DTZ.

5.0 PURPOSE OF THE VALUATION REPORT

We understand that this valuation report and Schedule (the **Valuation Report**) is required in connection with the listing particulars to be published in accordance with the Listing and Admission to Trading – Guidelines for: Asset Backed Securities made for listing of debt securities on the Irish Stock Exchange Limited and the Prospectus (Directive 2003/71/EC) Regulations 2005.

In accordance with UKPS 5.4, we have made certain disclosures in connection with this valuation instruction and our relationship with CMH. These are included in item 6 below.

6.0 DISCLOSURES REQUIRED UNDER THE PROVISIONS OF UKPS 5.4

6.1 Previous valuations of the Property for the Purpose of the Valuation Report

The Properties have not been valued previously by DTZ for the same purpose as the Purpose of this Valuation Report.

6.2 DTZ's relationship with client

In addition to the matters referred to in item 4 of this Valuation Report, DTZ provides and has provided in the past ad hoc valuation and occupational agency advice to CMH.

DTZ also values the majority of those Properties comprising the property portfolio of CMH on a half yearly basis.

6.3 Fee income from CMH

In DTZ's financial year to 31 December 2004, the proportion of total fees payable by CMH to the total fee income of DTZ was less than five per cent. It is not anticipated that the total fees payable by CMH will exceed five per cent for the year to December 2005.

7.0 BASIS OF VALUATION AND NET ANNUAL RENT

7.1 Market Value

The values of the properties have been assessed in accordance with the relevant parts of the current RICS Appraisal and Valuation Standards. In particular, we have assessed Market Value in accordance with PS 3.2. Under these provisions, the term **Market Value** means "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In undertaking our valuations on the basis of Market Value we have applied the interpretive commentary which has been settled by the International Valuation Standards Committee and which is included in PS 3.2. The RICS considers that the application of the Market Value definition provides the same result as Open Market Value, a basis of value supported by previous editions of the Red Book.

7.2 Net annual rent

The net annual rent for the Properties are referred to in the Schedule. Net annual rent is defined in the Listing Rules as "the current income or income estimated by the valuer:

- a) ignoring any special receipts or deductions arising from the Property;
- b) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and
- c) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent."

The Schedule also includes the estimated net annual rent of the Properties. The estimated net annual rent is based on the current rental value of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

8.0 TAXATION AND COSTS

We have not made any adjustments to reflect any liability to taxation that may arise on disposal, nor for any costs associated with disposals incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposals.

We have made deductions to reflect purchasers' acquisition costs.

9.0 VAT

We have assumed that in the event of a disposal the purchaser, lessee or assignee will be liable for any VAT which arises on the transaction.

The capital valuation and rentals included in this Valuation Report are net of value added tax at the prevailing rate.

10.0 ASSUMPTIONS AND SOURCES OF INFORMATION

An Assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" (**Assumption**). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of Assumptions and have relied on certain sources of information. Where appropriate, CMH's advisers have confirmed that our Assumptions are correct so far as they are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The Assumptions we have made for the purposes of our valuations are referred to below: -

10.1 Title

We have not had access to the title deeds of the Property. Save as disclosed in the relevant Certificate of Title in respect of the Property (the **Certificate of Title**), we have made an assumption that the Properties have good and marketable title and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. We have also assumed that the Properties are free from mortgages, charges or other encumbrances.

10.2 Condition of structure and services, deleterious materials, plant and machinery and goodwill

Due regard has been paid to the apparent state of repair and condition of the Properties, but we have not undertaken condition surveys, nor have we inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible. However, we have been provided with copies of environmental, structural and mechanical and engineering reports prepared by Arup. We have reflected the contents of these reports in undertaking our valuation. We have made an Assumption that save as disclosed in the Arup reports the Properties are free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects.

We have not arranged for investigations to be made to determine whether high alumina cement concrete, calcium chloride additive or any other deleterious materials have been used in the construction or any alterations of any of the Properties. For the purposes of these valuations, unless otherwise informed by CMH's advisers, we have made an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

No allowance has been made in the valuation for any items of plant or machinery not forming part of the service installations of the Properties. We have specifically excluded all items of plant, machinery and equipment installed wholly or primarily in connection with the occupants' businesses. We have also excluded furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools. Further, no account has been taken in our valuations of any goodwill that may arise from the present occupation of any of the Properties.

It is a condition of DTZ or any related company, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

10.3 Environmental matters

The Arup Reports comment on environmental factors and contamination affecting the Properties. In arriving at our valuation, we have sought to reflect our opinion of the market values on the basis of the information revealed by the Arup Reports. Commensurate with the information provided by Arup we have not made any allowance in the valuation for any effect in respect of actual or potential contamination of land or buildings.

10.4 Areas

Floor area figures have been prepared by us either from inspection notes or have been calculated from drawings in accordance with The Society of Chartered Surveyors Measuring Practice Guidance Notes. Where figures have been provided, we have assumed that they have been prepared in accordance with the said Guidance Notes unless stated to the contrary.

10.5 Statutory requirements and planning

We have relied on any information regarding town planning provided by CMH. Unless stated to the contrary we have not carried out a planning search. We have however inspected the relevant local or other planning authority's Development Plans.

Unless stated to the contrary we have assumed that the Properties and their value are unaffected by any matter which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the Properties, nor their condition nor their use, nor their intended use, is or will be unlawful.

Save as disclosed in the Certificate of Title, it has been assumed that the Properties have building regulation approvals, and that where necessary they have the benefit of a current Fire Certificate. It is further assumed that the Properties are not subject to any outstanding statutory notices as to their construction, use or occupation.

Unless our enquiries have revealed the contrary, it has been further assumed that the existing use of each Property is duly authorised or established and that no adverse planning condition or restriction applies.

10.6 Leasing

We have not read copies of the leases or other related documents but have relied on the tenancy summaries contained in the Certificate of Title for the purposes of our valuation. We confirm that as instructed the valuation has been based upon the tenancy position as at 12th December 2005.

We have not undertaken investigations into the financial strength of the tenants. Unless we have become aware by general knowledge, or we have been specifically advised to the contrary we have made an Assumption that the tenants are financially in a position to meet their obligations. Unless otherwise informed by the CMH's advisers we have also made an Assumption that there are no material arrears of rent or service charges, breaches of covenants, or current or anticipated tenant disputes.

However, our valuations reflects the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness.

We have also made an Assumption that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits.

10.7 Information

We have made an Assumption that the information CMH and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an Assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

11.0 VALUATION

In our opinion the current aggregate market value of the properties as at 12 December 2005, subject to the terms of the existing tenancies, was €500,465,000 (five hundred million, four hundred and sixty five thousand euro) assuming practical completion of MHC Building, Barrow Street, Dublin 4. Details of the individual Property values are shown on the attached schedule.

12.0 CONFIDENTIALITY AND DISCLOSURE

The contents of this Valuation Report and Schedule may be used only for the purpose of this Valuation Report. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained.

For the avoidance of doubt such approval is required whether or not DTZ are referred to by name and whether or not the contents of our Valuation Report are combined with others.

Yours faithfully

Gordon H Gill FSCS FRICS
Director
DTZ Sherry FitzGerald
Ormonde House
12/13 Lower Leeson Street
Dublin 2.

7.0 SCHEDULE OF VALUATION

CASTLE MARKET HOLDINGS LIMITED

Portfolio of 16 Properties

FREEHOLD PROPERTIES

PROPERTIES HELD AS INVESTMENTS

| Property | Description, Age, Tenure | Terms of Existing Tenancies | Net Annual Rent Receivable (€) | Estimated Net Annual Rent (€) | Market Value (€) |
|---|---|--|--------------------------------|-------------------------------|------------------|
| 40/41 Mespil Road, Dublin 4. | Modern five storey office block. Offices 9,400 m ² , stores 1,733 m ² , 36 car spaces. Completed 2003. Freehold | Leased to Bank of Ireland Asset Management for 25 years from 6 June 2003. | 4,135,190 | 4,440,000 | 87,330,000 |
| Stillorgan Shopping Centre, Stillorgan, Co. Dublin. | Custom built primarily single storey open shopping centre. Built c. 1966. Anchored by Dunnes Stores and Tesco. Total 13,144m ² of which Ground Floor 8,330m ² , 735 car spaces. Planning permission lodged for further development. Freehold. | Total of 85 tenancies. Original letting on basis of 42 year term with 7 year rent reviews. Later leases 35 years with 5 year reviews. Internal repairing plus service charge for common areas. 48% of retail leases expire within 5 years, tenants have statutory rights of renewal. | 8,027,389 | 8,667,051 | 147,365,000 |
| Crescent Hall, Mount Street Crescent, Dublin 2. | Modern four storey office building with Georgian façade. Net floor area 499.3 m ² , 6 car spaces in basement. Built c. 1997. Freehold. | Anchor tenants Tesco in units 19/19R/20/21 have a break option on the 1 September 2016 Ground and first floors leased to ECDL t/a ICS Skills for 9 years 360 days from 21 May 2003. Second floor leased to RegTel for 9 years 11 months from 4 November 2003 – break option 3 November 2008. Third floor let to RegTel for 25 years from 15 December 1999 – break option 3 October 2013 | 252,850 | 252,850 | 4,480,000 |
| Charlemont House, Charlemont Place, Dublin 2. | Modern four storey office building. Net floor area 877.7 m ² , 9 car spaces. Built c. 1990. Freehold. | Leased to Frank Glennon Ltd for 25 years from July 1995 on full repairing and insuring basis with 5 year reviews. Break option July 2010. | 410,000 | 410,000 | 7,010,000 |

| Property | Description, Age, Tenure | Terms of Existing Tenancies | Net Annual Rent Receivable (€) | Estimated Net Annual Rent (€) | Market Value (€) |
|--|---|---|---------------------------------------|--------------------------------------|---------------------------------------|
| Mason Hayes + Curran, 35/36 Barrow Street, Dublin 4. | Nine storey office building in course of construction. 5,660 m ² net. 25 car spaces. Freehold. | Agreement to lease on practical completion to Mason Hayes + Curran for 25 years. FRI with 5 year reviews. | 2,896,466 | 2,896,466 | 55,760,000 On Practical completion |
| The Warehouse, Barrow Street, Dublin 4. | Three storey warehouse conversion to offices. 2,008 m ² , 9 car spaces, Freehold. | Entire leased to Treasury Holdings on FRI basis for 25 years from 6 September 2000 with 5 year reviews. | 1,021,905 | 1,021,905 | 16,700,000 |
| Baggot Building, 27/33 Upper Baggot Street, Dublin 4. | Large six storey over basement office building. Two interlinked "T" shaped blocks. Total net floor area 8,248.6 m ² , 208 car spaces. Built c. 1973. Freehold. | Leased to FAS – The National Training and Employment Authority, for 40 years from 1 December 1973 on a full repairing and insuring basis with 5 year reviews. | 3,200,000 | 3,200,000 | 47,870,000 |
| Marks & Spencer, Merchants Quay Shopping Centre, Cork. | Self-contained department store forming part of main street shopping centre. Three storey, retail on ground and first, storage on second. Total floor area 6,933 m ² . Built 1989. Fee Farm Grant. | Leased to Marks & Spencer (Ireland) Limited for 99 years from 1 July 1988 on a full repairing and insuring basis. 7 year upward only reviews. | 1,350,000 | 1,500,000 | 27,860,000 |
| 41 St. Stephen's Green, Dublin 2. | Four storey over basement Georgian building in office use. Net area 372.6m ² and 4 car spaces. Built c. 1810. Part freehold, part 900 year lease subject to a rent of €76 per annum. | Leased to Frank Burke Solicitor, for 35 years from 1 October 1984 on a full repairing and insuring basis. | 160,000 | 160,000 | 2,875,000 |

**LONG LEASEHOLD PROPERTIES
PROPERTIES HELD AS INVESTMENT**

| Property | Description, Age, Tenure | Terms of Existing Tenancies | Net Annual Rent Receivable (€) | Estimated Net Annual Rent (€) | Market Value (€) |
|--|--|---|---------------------------------------|--------------------------------------|-------------------------|
| Block A, Russell Court, St. Stephen's Green, Dublin 2. | Five storey office block. Net floor area approx. 3,215 m ² , 14 car spaces. Built 1981. Part freehold and part long leasehold on six ground leases subject to total rent of €270 p.a. Some development opportunity. | Entire leased to KPMG for 35 years from 26 June 1982 on a full repairing and insuring basis with 5 year rent reviews. | 1,200,000 | 1,200,000 | 23,480,000 |

| Property | Description, Age, Tenure | Terms of Existing Tenancies | Net Annual Rent Receivable (€) | Estimated Net Annual Rent (€) | Market Value (€) |
|---|--|---|---------------------------------------|--------------------------------------|-------------------------|
| Block B/C Russell Court, St. Stephen's Green, Dublin 2. | Two adjoining and interconnecting five storey office blocks. Net floor area 7,646 m ² and 87 car spaces. Built 1981. Part freehold and part long leasehold on six ground leases subject to a total rent of €270 p.a. | Entire leased to KPMG for 35 years from 26 June 1982 on a full repairing and insuring basis with 5 year reviews. | 2,800,000 | 2,800,000 | 50,260,000 |
| Block D Russell Court, St. Stephen's Green, Dublin 2. | Seven storey over basement office building. Total net floor area 1,940 m ² and 10 car spaces. Built 1982. Part freehold and part long leasehold on six ground leases subject to a total rent of €270 per annum. | Leased on a floor by floor basis on eight leases of varying terms. All internal repairing with service charge for common areas and exterior. | 889,723 | 889,723 | 14,380,000 |
| 18 Fleet Street, Dublin 2. | Ground Floor and Basement retail unit in five storey building. Total floor area 79 m ² Built c. 1940. 999 year lease from 27 June 1997 at a nominal rent. | Leased to Corcoran Management Limited t/a Paddy Power Bookmakers for 35 years from 1 November 1990 on a full repairing and insuring basis. Five year reviews. | 35,000 | 45,825 | 865,000 |
| 16 Westmoreland Street, Dublin 2. | Ground floor shop and basement of five storey terrace building, occupied as a fast food restaurant. Ground 172 m ² , basement 104 m ² , first 63 m ² . Built c. 1850. Long leasehold, nominal rent. | Leased to Abrakebabra Ltd., for 35 years from 1 July 1997 on internal repairing basis with service charge for exterior. Five year rent reviews. | 140,000 | 140,000 | 2,645,000 |
| 3 College Green, Dublin 2. | Ground floor and basement of five storey building, restaurant use. Ground 178.43 m ² , basement 143.14 m ² . Lease for 999 years from 29 January 2004 subject to a rent of €1 per annum. | Leased to Little Caesar's for 25 years from 6 June 2003. | 250,138 | 250,138 | 4,275,000 |
| 35 Henry Street | Prime retail property of 4 floors over basement. Ground 97.76m ² (62.25m ² ITZA), first 50.72m ² , second 50.53m ² , third 50.35m ² , basement 48.68m ² , Long leasehold subject to €94 p.a. | Entire leased to Birthdays (Ireland) Ltd. for 25 years from 17 July 1990 on a full repairing and insuring basis. Five year reviews. | 241,250 | 305,600 | 7,310,000 |

OBLIGOR TRANSACTION DOCUMENTS AND CASHFLOWS

1. Senior Credit Agreement

(a) Origination Process

In connection with the origination of the Senior Loan, Eurohypo (as Loan Arranger) ensured that certain due diligence procedures were undertaken such as would customarily be undertaken by a prudent lender making loans secured on commercial properties of this type, so as to evaluate the Borrower's and each other Obligor's ability to service the loan obligations and so as to analyse the quality of the Portfolio. In order to do this, an analysis of the contractual cashflows, occupational tenant covenants and lease terms and the overall quality of the real estate was undertaken by or on behalf of Eurohypo (as Loan Arranger). Risk was assessed by stressing the cashflows derived from underlying tenants and the risks associated with refinancing the amount due upon the maturity of the Senior Loan. The property investment experience and expertise of each Obligor's sponsors were also factors taken into consideration in the lending analysis.

The Borrower will be obliged under costs indemnities dated on or before the Closing Date to repay certain costs to the Loan Arranger in connection with the origination of the Senior Loan.

(b) Legal Due Diligence

Eurohypo (as Loan Arranger) also instructed Irish solicitors to carry out a review of the Certificates of Title prepared by Irish solicitors acting for the PropCos.

Eurohypo obtained general information relating to the proposed Senior Loan including details of the relevant Obligor's shareholders; the accounts to be operated in connection with the proposed facilities; arrangements for the collection of rents and/or management of the Properties, including details of managing agents to be instructed by ManagementCo; and insurance of the Properties.

(i) Title and Other Investigation

Certificates of title (the **Certificates of Title**) being substantially in the standard form will be issued on or before the Closing Date by each of the PropCo's solicitors, for the benefit, among others, of Eurohypo and the Issuer, as applicable. Each Certificate of Title will be prepared on the assumption that the Properties will be sold to the PropCos on the Closing Date or, in respect of the MHC Building, on the MHC Completion Date.

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

Eurohypo has also reviewed the Certificates of Title issued by each of the PropCo's solicitors and confirmed the adequacy of the form and content of the Certificates of Title and highlighted any matters that they considered should be drawn to the attention of Eurohypo and the Valuer.

Eurohypo has obtained written confirmation from the Valuer that the terms of the relevant Certificate of Title were taken into account in the relevant Valuation.

(ii) Capacity of the Obligors

Eurohypo has satisfied themselves that the Obligors were validly incorporated, had sufficient power and capacity to enter into the proposed transaction (including the transfer of the Properties to the PropCos on the Closing Date), whether it was the subject of any insolvency proceedings, and generally that the relevant Obligor and each Old PropCo had complied with any necessary formalities.

(iii) Registration of Security

Following drawdown of the Senior Loan and the acquisition of the Portfolio by the PropCos on the Closing Date or, in the case of the MHC Building, on the MHC Completion Date, Eurohypo (as Loan Arranger) will ensure that all necessary registrations in connection with taking security are attended to within all applicable time periods and appropriate notices served (where required by the terms of the Senior Credit Agreement). The title deeds in relation to the Properties will be held to the order of the

Security Agent. The PropCos' solicitors will retain certain commercial leases for management purposes but will do so on the basis that they are held to the order of Eurohypo's solicitors.

(iv) Environmental and Structural Reports

It should be noted that Arup has reviewed previous site investigations and surveys recommendations in respect of each Property and while making certain recommendations as to works and ongoing maintenance concluded that the Properties were maintained to a high standard and whilst a number of visual, aesthetic and maintenance items were identified there were no significant structural concerns.

(c) Documentation

The principal documentation which will be entered into by the Borrower, the other Obligors and the Issuer in relation to the Senior Loan comprises the Senior Credit Agreement, the Security Agreement, the Intermediate Parent Mortgage of Shares, the Subordination Agreement, the Senior Hedging Arrangements and the Intercreditor Agreement.

(i) General

The Senior Credit Agreement will be governed by Irish law. The Senior Credit Agreement will contain the types of representations and warranties and undertakings on the part of the Obligors that a reasonably prudent lender making loans secured on commercial properties of this type would customarily require. A summary of the principal terms of the Senior Credit Agreement is set out below.

The Senior Loan will constitute limited recourse obligations of the Borrower and the other Obligors as to principal and other obligations (in respect of the Borrower, other than interest) and full recourse obligations of the Borrower but limited recourse obligations of the other Obligors as to interest.

(ii) Loan amount and drawdown and further advances

The outstanding principal balance of the Senior Loan as at the close of business on the Closing Date will be €375,000,000.

The Borrower may, from time to time, request that the Issuer (as Original Lender under the Senior Credit Agreement) or any other Senior Lender increase its term commitment in a minimum amount of €5,000,000 and integral multiples thereafter of €500,000 by written notice to the Senior Facility Agent. If all of the relevant Lenders agree in writing to such a request, the relevant commitments of those Lenders under the Senior Credit Agreement will be increased accordingly. However, the Senior Credit Agreement will place no obligation on the Issuer or any other Senior Lender to make any further advance to the Borrower.

No such additional lending under the Senior Credit Agreement will be permitted unless all the Senior Lenders and, pursuant to the terms of the Intercreditor Agreement, the Junior Lenders consent to such additional lending, enter into a supplemental agreement to the Senior Credit Agreement setting out the relevant amendments and the Rating Agencies confirm that the then current ratings of each class of Notes will not be adversely affected.

(iii) Conditions precedent

The Issuer's obligation to make the Senior Loan under the Senior Credit Agreement will be subject to the Senior Facility Agent first having received, in the usual manner, certain documents as conditions precedent to funding in form and substance satisfactory to it. The documentation required will include, among other things: constitutional documents, corporate authorisations and solvency certificates for the Borrower, Intermediate HoldCo, the PropHoldCos, the PropCos, Option HoldCo, Option GrantCo, Old PropCos, OptionCo, CMH and any subordinated creditor, a valuation in respect of the Portfolio, evidence of insurance cover in respect of the Portfolio and the Security Agent being named as co-insured and loss payee on any Insurance Policies, all title documents relating to each PropCo's interest in the relevant Property or undertakings in respect thereof, copies of all occupational leases and title searches related to the Portfolio, security documents (and release of existing security) and all relevant legal opinions and notices in connection with the assignment of rental income, charging of bank accounts and assignment of the Senior Hedging Arrangements.

(iv) Interest and repayments

Interest under the Senior Loan will be paid quarterly in arrears on 15 January, 15 April, 15 July and 15 October in each year in respect of successive Interest Periods.

Unless previously repaid, the Senior Loan will be repayable in full on the Interest Payment Date falling in January 2013.

On each Interest Payment Date, provided that no Loan Event of Default is outstanding and the repeating representations under the Senior Credit Agreement are correct and will be correct immediately after withdrawal, monies will be debited from the Rent Account and applied by the Security Agent in accordance with the Borrower Pre-Event of Default Priority of Payments. See "*Obligor Transaction Documents and Cashflows – Rent Account*".

Any surplus monies will, at the discretion of the Security Agent, be transferred to the General Account and may, provided that there is no Loan Event of Default outstanding and there is no restriction in the Subordination Deed, be released to the Borrower for application towards any purpose for which monies in the General Account may be applied.

If on any Interest Payment Date, there are insufficient funds standing to the credit of the Rent Account to meet interest payments payable on that Interest Payment Date, then the shortfall amount will be deemed not to be due for payment on such Interest Payment Date but will instead be deferred until the next Interest Payment Date on which the amount standing to the credit of the Rent Account is sufficient to meet such shortfall. During the period from the Interest Payment Date on which the shortfall was originally due for payment until the date the shortfall amount is paid, the Borrower must pay interest on the shortfall amount as if it were at an overdue amount at a higher default rate of interest. Such interest is payable on the date on which the shortfall amount is paid.

(v) Voluntary Prepayments

The Senior Credit Agreement will permit the Borrower to prepay any Senior Loan Tranche in whole or in part subject to a minimum of €5,000,000 and integral multiples of €1,000,000, by giving not less than 15 days' prior written notice to the Senior Facility Agent. The Borrower will not be obliged to pay any prepayment fees on prepayment of all or part of the Senior Loan but must discharge any Prepayment Expenses incurred in connection with the relevant prepayment.

Amounts prepaid in accordance with the above will be applied against the Senior Loan Tranches selected by the Borrower in the prepayment notice or, if not specified, as follows:

- (i) **first**, in prepayment of the Tranche D Senior Loan until the Tranche D Senior Loan is repaid;
- (ii) **secondly**, in prepayment of the Tranche C Senior Loan until the Tranche C Senior Loan is repaid;
- (iii) **thirdly**, in prepayment of the Tranche B Senior Loan until the Tranche B Senior Loan is repaid; and
- (iv) **fourthly**, in prepayment of the Tranche A Senior Loan until the Tranche A Senior Loan is repaid.

In addition, if the Borrower becomes aware that a tax payment or an increased cost is or will be required to be paid to a Senior Lender, it may repay the Senior Loan on the earlier of:

- (A) the last day of the current Interest Period for the Senior Loan; and
- (B) the date specified in the notification for such payment.

(vi) Mandatory Prepayment

Prepayment of the Senior Loan must be made, (no later than the latest day of the current Interest Period) if it becomes unlawful for a Lender to perform its obligations under a Finance Document or to fund or maintain its share in any Senior Loan.

Prepayment of a certain amount of the Senior Loan must be made if:

- (A) a Property is disposed of and the Borrower elects not to use such net disposal proceeds to acquire a substitute property to place into the Portfolio;
- (B) a Property or any part of a Property is compulsorily acquired or on receipt of compensation (net of tax and costs) by an Obligor under applicable planning legislation or as a result of any restriction on the use of a Property;
- (C) major damage affects a Property, to the extent that the proceeds of any insurance claim received in respect of the relevant Property are greater than €50,000 and the insurance policy or relevant lease does not require the relevant PropCo to apply the insurance proceeds towards reinstatement of the affected Property; or

- (D) the Borrower fails to: (i) achieve practical completion (as defined in the Senior Credit Agreement) of the MHC Building; (ii) procure that an occupational lease has been entered into between Candourity CMBS (PropCo) I Limited (the owning PropCo), Menelaos Developments and the partners of Mason Hayes + Curran solicitors; (iii) procure that Candourity Limited (the **Developer**) and CMH enter into a deed of covenant with the Security Agent wherein the Developer will covenant (and CMH will guarantee) that the Developer will fully perform its obligations under the development agreement for the lease dated 20 January 2004 between the Developer, Treasury Holdings Limited and Menelaos Developments (the **MHC Development Agreement**) by the date falling no later than nine months after the Closing Date; (iv) provide a report prepared by the Borrower's solicitors detailing the MHC Development Agreement and the occupational lease; and (v) satisfy certain conditions precedent in respect of the MHC Building.

In the event of prepayment of all or part of the Senior Loan in any of the above circumstances, no prepayment fee will be payable by the Borrower. Amounts prepaid in accordance with the above will be applied (to the extent, in respect of paragraphs (B) and (C) above, that any funds received from any compulsory purchase or any insurance proceeds are sufficient) as follows:

- (A) **first**, in payment or prepayment of:
- (I) the Senior Loan in an amount equivalent to the Allocated Loan Amount for the relevant Property and as between the Senior Loan Tranches *pro rata*; and
 - (II) any Prepayment Expenses payable to any Finance Party as a result of the prepayment referred to in subparagraph (I) above;
- (B) **secondly**, in payment or prepayment of:
- (I) the Senior Loan in an amount equivalent to the difference between the Senior Allocated Loan Amount and the Senior Release Price for the relevant Property and as between the Loans:
 - (a) **first**, in prepayment of the Tranche A Senior Loan until the Tranche A Senior Loan is prepaid;
 - (b) **secondly**, in prepayment of the Tranche B Senior Loan until the Tranche B Senior Loan is prepaid;
 - (c) **thirdly**, in prepayment of the Tranche C Senior Loan until the Tranche C Senior Loan is prepaid;
 - (d) **fourthly**, in prepayment of the Tranche D Senior Loan until the Tranche D Senior Loan is prepaid; and
 - (II) any Prepayment Expenses payable to any Finance Party as a result of a prepayment referred to in subparagraph (I) above;
- (C) **thirdly**, in payment or prepayment of:
- (I) the Junior Loan in an amount equivalent to the difference between the Senior Release Price and the Release Price for the relevant Property; and
 - (II) any Prepayment Expenses payable to any Junior Finance Party as a result of the prepayment referred to in subparagraph (I) above;
- (D) **fourthly**, in payment of deferred interest under the Senior Credit Agreement and any amounts outstanding in respect of Senior Cure Loans or Junior Cure Loans; and
- (E) **fifthly**, the payment of any surplus into the General Account.

(vii) Senior Hedging Obligations

Under the terms of the Senior Credit Agreement, the Borrower will be required to maintain (subject to the limits described below) interest rate hedging arrangements to protect against the risk that the interest rate payable by the Borrower under the Senior Loan may increase to levels which would be too high, bearing in mind the Borrower's fixed income under the PropCo Loans and each PropCo's income from the Properties (which does not vary according to prevailing interest rates).

Pursuant to the Senior Credit Agreement, the Borrower will enter into hedging arrangements in respect of the Senior Loan (the **Senior Hedging Arrangements**) with one or more Senior Hedge

Counterparties. Each Senior Hedge Counterparty must, at the time of entry into the applicable Senior Hedging Arrangements, either have a requisite rating of "F1" (or higher) by Fitch and "A-1" (or higher) by S&P in respect of its short-term, unsecured and unsubordinated debt obligations and "A" (or higher) by Fitch in respect of, long-term, unsecured and unsubordinated debt obligations or take one of the measures required in respect of a Senior Hedge Counterparty Rating Event (as defined below).

In addition, under the terms of the Senior Credit Agreement, the Senior Hedging Arrangements must be for an aggregate notional amount not less than the aggregate amount of the Senior Loan then outstanding.

If at any time the aggregate notional amount of the Senior Hedging Arrangements exceeds the aggregate amount of the Senior Loan then outstanding, the Borrower must, at the request of the Senior Facility Agent, reduce the aggregate notional amount of those Senior Hedging Arrangements by an amount and in a manner satisfactory to the Senior Facility Agent so that it no longer exceeds the aggregate amount of the Senior Loan then outstanding.

Neither the Borrower nor a Senior Hedge Counterparty will be entitled to amend or waive the terms of any Senior Hedging Arrangements without the consent of the Senior Facility Agent, such consent not to be unreasonably withheld or delayed.

Except as set forth above, neither the Borrower nor a Senior Hedge Counterparty will be permitted to terminate or close out any Senior Hedging Arrangements in whole or in part except:

- (A) in case of illegality;
- (B) where all the Senior Loan and other amounts outstanding under the Finance Documents (other than the Senior Hedging Arrangements) have been paid in full;
- (C) as permitted by the terms of the Senior Hedging Arrangements or with the consent of the other party to such Senior Hedging Arrangements (whether a Senior Hedge Counterparty or the Borrower, as the case may be), in each case together with the consent of the Senior Facility Agent; or
- (D) in the case of the Borrower, upon the request of the Senior Facility Agent as a result of a Senior Hedge Counterparty to the relevant Senior Hedging Arrangements failing to comply with the provisions of the relevant Senior Hedging Arrangements regarding a Senior Hedge Counterparty Rating Event (as defined below).

If at any time a Senior Hedge Counterparty ceases to have the requisite ratings specified above and/or following such a cessation experiences a further ratings downgrade specifically described in the Senior Hedging Arrangements (a **Senior Hedge Counterparty Rating Event**), it will be required to comply with its obligations in that regard under the relevant Senior Hedging Arrangements and take certain measures specified by the relevant Rating Agencies to address any potential impact of any such Senior Hedge Counterparty Rating Event on the Notes. The required measures will vary depending upon the nature of the Senior Hedge Counterparty Rating Event and may include the relevant Senior Hedge Counterparty:

- (A) transferring collateral to the Borrower;
- (B) transferring all of its rights and obligations with respect to the relevant Senior Hedging Arrangements to a replacement third party;
- (C) procuring a third party to become a co-obligor or guarantor in respect of its obligations under the relevant Senior Hedging Arrangements; and/or
- (D) taking such other action as the relevant Senior Hedge Counterparty may agree with the relevant Rating Agencies,

in each case in a manner satisfactory to the relevant Rating Agencies and as described in more detail in the relevant Senior Hedging Arrangements.

(viii) Senior Cure Loans

A Senior Cure Loan may only be made in order to either cure a breach of the Senior Hedging Arrangements (a **Senior Hedging Loan**) or make a payment of any amounts representing ground rent or insurance premia due but unpaid in respect of any Property. A Senior Cure Loan does not require the Junior Lender's consent and will automatically increase the total commitments of the Senior Loan.

A Senior Cure Loan will be repayable on demand on any Interest Payment Date or, on or after, the date the Senior Facility Agent, by notice to the Borrower, accelerates the Senior Loan, and shall only be repaid from monies standing to the credit of the Rent Account, the Deposit Account or the General Account, in accordance with the Borrower Pre-Event of Default Priority of Payments or the Borrower Post-Event of Default Priority of Payments, as applicable, or from the proceeds of a loan from a Subordinated Creditor to the Borrower.

A Senior Cure Loan will only bear increased interest in the case of a Senior Cure Loan by the Issuer to pay an amount due and payable under a Senior Hedging Arrangement, at a default rate which expresses as a percentage rate per annum the cost to the Issuer of funding that Senior Cure Loan by making an Income Deficiency Drawing (as defined below) under the Liquidity Facility Agreement.

Notwithstanding the payment by the Borrower of an amount as a result of a Senior Cure Loan, a Loan Event of Default shall be treated as outstanding until the date on which that Senior Cure Loan together with accrued interest on that Senior Cure Loan, has been repaid.

(ix) Representations and warranties

The representations and warranties to be given by the relevant Obligor, as applicable, under the Senior Credit Agreement, as of the date of the Senior Credit Agreement and (subject to certain exceptions) the date of the request by the Borrower for the Loans, the date of drawdown the first day of each Interest Period, will include, among other things, the following statements:

- (A) the relevant Obligor is duly incorporated as a limited liability company under the laws of Ireland and has the power to own its assets and carry on its business as it is being conducted and to enter into and perform the Transaction Documents and such entry into and performance of the Transaction Documents will constitute a legal, valid, binding and enforceable obligation of the relevant Obligor (subject to certain qualifications) and not conflict with any applicable law or regulation or any material document binding on it or any assets of the relevant Obligor;
- (B) no Loan Event of Default or event which would be (with the expiry of a grace period, giving notice or making of a determination) a Loan Event of Default (and, together a **Loan Default**) under the Senior Credit Agreement is outstanding or will result from the transaction contemplated by the Transaction Documents and no other event is outstanding which constitutes a default which has or is under any document which is binding on it or to which any of its assets are subject to an extent reasonably likely to have a Material Adverse Effect;
- (C) subject to due registration of the relevant Loan Security documents, all authorisations required in connection with the entry into, performance, validity and enforceability of the Transaction Documents have been obtained or effected and are in full force and effect;
- (D) except for registration of each Loan Security document or particulars of each Loan Security document (as the case may be) under Section 99 Companies Act 1963, it is not necessary to file, register or record any Finance Document in any public place or elsewhere;
- (E) except for registration fees payable at the Companies Registration Office and, where appropriate, stamping fees payable to the Revenue Commissioners in respect of the Loan Security documents, no stamp, registration or similar tax or charge is payable in respect of any Finance Document;
- (F) each PropCo is the legal and beneficial owner of the relevant Property and has good and marketable title to the Property commensurate with prudent conveyancing standards in Ireland, in each case free from any security interests (other than those set out in the Security Documents, the Related Security) and restrictions and onerous covenants (other than those set out in any certificate or report on title in respect of that Property);
- (G) the shares in the share capital of each Obligor are fully paid and in the case of:
 - (I) the Borrower, its entire issued share capital is legally and beneficially owned and directly controlled by Intermediate HoldCo;
 - (II) Intermediate HoldCo, its entire issued share capital is legally and beneficially owned and directly controlled by the Intermediate Parent;
 - (III) each PropHoldCo, its entire issued share capital is legally and beneficially owned by Option GrantCo; and

- (IV) each PropCo, its entire issued share capital is legally and beneficially owned by a PropHoldCo (as to its Class B Shares) and Intermediate HoldCo (as to its Class A Shares);
- (H) the security conferred by the Security Agreement and the Related Security constitutes a first priority security interest of the type described over the assets referred to in each agreement and the assets are not subject to any prior or *pari passu* security interests;
- (I) save as clearly disclosed by the Company to the Senior Facility Agent in writing, so far as the relevant Obligor is aware (having made all reasonable enquires), no litigation, arbitration or administrative proceedings are current or, to the knowledge of the relevant Obligor pending or threatened which have, or if adversely determined, are reasonably likely to have a Material Adverse Effect;
- (J) all preliminary written investor information, and all written factual information supplied after the date of the Senior Credit Agreement by the Borrower or any of its officers or advisers to any Finance Party in connection with the Transaction Documents, is true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given and did not, so far as the Borrower is aware (having made reasonable enquiries), omit as at its date any information which would make that information supplied untrue or misleading in any material respect;
- (K) all preliminary written valuation information, and all written factual information, supplied after the date of this Agreement by an Obligor or by its officers or advisers to the Valuer for the purposes of each Valuation was true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given and did not, so far as the relevant Obligor is aware (having made reasonable enquiries), omit as at its date any information which would materially and adversely affect the relevant Valuation;
- (L) the financial statements of each Obligor most recently delivered to the Senior Facility Agent have been prepared in accordance with accounting principles and practices generally accepted in Ireland and (when taken with the Notes thereto) fairly represent the financial condition of as at the date to which they were drawn up (except, in each case, where disclosed to the contrary in those financial statements);
- (M) no Obligor has carried on any business (other than acquisition, ownership, development, letting and management of its interest in the Properties and other Obligors) nor entered into any material agreements other than the Transaction Documents;
- (N) as at the date of the Senior Credit Agreement:
 - (I) the Borrower has no subsidiaries; and
 - (II) no Guarantor has any subsidiaries or shares other than
 - (a) in the case of Intermediate HoldCo, the Borrower and 100 Class A Shares in each PropCo; and
 - (b) in the case of a PropHoldCo, the Class B Shares in the relevant PropCo;
- (O) the "centre of main interests" of each Obligor for the purposes of Council Regulation (EC) No. 1346/2000 of 29 May 2000 (the **Centre of Main Interests**) is Ireland and no Obligor has any place of operations where it carries on non-transitory economic activity with human means and goods (an **Establishment**) in any other jurisdiction;
- (P) no Obligor is a member of a value added tax group other than a value added tax group made up solely of Obligors; and
- (Q) as at the date of the Senior Credit Agreement, no Rental Income payable to any Obligor is subject to a requirement to make a tax deduction.

(x) *Undertakings*

The relevant Obligor will give various undertakings under the Senior Credit Agreement which will take effect so long as any amount is outstanding under the Senior Credit Agreement or any commitment is in place. These undertakings will include, among other things, the following:

- (A) to provide the Senior Facility Agent with financial information on an ongoing basis, including audited financial statements for each financial year and unaudited financial statements for the first

half year of each financial year within 180 days of the end of the relevant financial year or half year as the case may be;

- (B) to supply to the Senior Facility Agent a compliance certificate with each set of its audited financial statements sent to the Senior Facility Agent under this Agreement, on each date on which a prepayment is made, on each date on which a Property is disposed of or a substitute property is acquired, on each Loan Interest Payment Date and with each Valuation;
- (C) to supply the details of documentation despatched to (in the case of the Borrower) its shareholders and otherwise to creditors generally (or any class of them);
- (D) upon becoming aware of them, to supply details of any litigation, arbitration, examinership or administrative proceedings which are current or threatened in writing and which would reasonably be expected to, if adversely determined, have a Material Adverse Effect;
- (E) to notify the Senior Facility Agent promptly of any Loan Default under the Senior Credit Agreement (and the steps, if any, being taken to remedy it) upon becoming aware of it;
- (F) to supply any applicable "know your customer" documentation or other evidence;
- (G) to promptly obtain, maintain and comply with the terms of any authorisation required under any law or regulation to enable it, subject to general principles of law limiting its obligations and referred to in any relevant legal opinions to perform its obligations under, or for the legality, validity, enforceability and admissibility in evidence in its jurisdiction of incorporation of, any Transaction Document to which it is a party;
- (H) to comply in all respects with all laws to which it is subject where failure to do so has or is reasonably likely to have a Material Adverse Effect;
- (I) to procure that the relevant Obligor's obligations under the Finance Documents rank at least *pari passu* with all other present and future unsecured obligations (other than obligations mandatorily preferred by law) and not to create or permit any security interest to arise over any of its assets (subject to certain specified exceptions);
- (J) not to sell, transfer or otherwise dispose of any of its assets on terms where it is or may be leased to at re-acquired or acquired by it or any of its related entities or sell, transfer or otherwise dispose of any of its receivables on recourse terms or 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 enter into any other preferential arrangement having a similar effect, in circumstances where the transaction is entered into primarily as a method of raising financial indebtedness or of financing the acquisition of an asset.
- (K)
 - (I) not to enter into any amalgamation, demerger, merger or reconstruction; or
 - (II) acquire any assets or business or make any investments other than:
 - (a) an acquisition or investment permitted under the Senior Credit Agreement; or
 - (b) an acquisition or investment in the ordinary course of its business;
- (L) not to make any loans or provide any other form of credit or to give any guarantee or indemnity to any person (other than certain customary exceptions including, in the case of the Borrower, any amounts advanced under the PropCo Loan Agreements and, in the case of the PropCos any amount advanced under the Funding Agreement);
- (M) not to incur any unsubordinated financial indebtedness (other than indebtedness incurred under the Finance Documents);
- (N) not to create or allow to exist any Security Interest on its assets except as allowed under the Senior Credit Agreement;
- (O) not to enter into any contracts other than the Transaction Documents or contracts in connection with the substitution of any Property or otherwise as permitted under the Senior Credit Agreement;
- (P) other than to an Obligor, not to declare or pay any dividend or make any distribution in respect of its shares, except from monies standing to the credit of the General Account where no Loan Default under the Senior Credit Agreement is outstanding and where such payment would not cause a Default;

- (Q) (with respect to the Obligors) not to carry on any business other than the acquisition, development, ownership, letting and management of its interests in the Property and any Obligors in which it has a shareholding;
- (R) not to be a member of a value added tax group other than a value added tax group made up solely of Obligors;
- (S) (in the case of each Obligor) it must (i) not have any employees (except directors); (ii) not establish or operate any pension scheme or similar arrangement; (iii) not become liable in respect of any pension scheme or similar arrangement operated by any other person; (iv) keep all books and records separate from any other person or entity; (v) keep all accounts separate from those of any other person or entity; (vi) not commingle assets with those of any other entity; (vii) conduct its own business in its own name; (viii) maintain separate financial statements; (ix) use separate stationery, invoices, and cheque books; (x) hold itself out as a separate entity; and (xi) correct any known misunderstanding regarding its separate identity;
- (T) to maintain insurance on the Property (on terms acceptable to the Security Agent) on a full reinstatement value basis with not less than three years' loss of rent insurance on all occupational leases together with property owners and public liability insurance and insurance against acts of terrorism (to the extent available in the Irish insurance markets at rates which the Security Agent considers commercially reasonable) and to procure that the Security Agent is named as co-insured and loss payee on all relevant insurance policies (except any policy in respect of property owners and public liability);
- (U) all insurances required under the Senior Credit Agreement must be with an insurance company or underwriter (or a group of insurance companies or underwriters) that:
 - (I) has a long-term credit rating or a financial strength rating (or, in the case of a group of insurance companies or underwriters, the weighted average thereof) of "A" (or better) by Fitch and "A" (or better) by S&P; or
 - (II) is recommended by the PropCo's insurance broker, as confirmed in a letter to the Security Agent and the relevant PropCo; or
 - (III) is otherwise acceptable to the Security Agent (acting reasonably);
- (V) not to cause or allow its Centre of Main Interests to be in, or to maintain an Establishment in, any jurisdiction other than Ireland;
- (W) (in the case of the Borrower), to supply to the Senior Facility Agent a quarterly report in an agreed form in respect of each Property;
- (X) in respect of a Property with a passing net rental of over 1.5 per cent. of the aggregate passing net rental income under all agreements for leases or occupational leases at that time, not to, without the consent of the Senior Facility Agent, enter into any agreement for lease, grant or agree to grant any new occupational lease (unless under an agreement for lease), agree to any amendment, waiver or surrender in respect of any lease, commence any forfeiture proceedings in respect of any lease document, consent to any sublease, contractual licence or right to occupy any part of a Property, consent to any assignment of any tenant's interest under any lease document (unless the assignment is from Treasury Group Holdings to a related company of CMH with respect to its lease at the Warehouse, 35 Barrow Street); agree to any rent review in respect of any lease document, or serve any notice on any former tenant under any lease document (or on any guarantor of that former tenant) which would entitle it to a new lease or tenancy;
- (Y) to comply with all environmental laws and approvals in respect of a Property where failure to do so has or is reasonably likely to have a Material Adverse Effect or to result in any liability for a Finance Party;
- (Z) to pay all taxes due and payable by it prior to the accrual of any fine or penalty for late payment unless the payment of those taxes is being contested in good faith and adequate reserves are being maintained to pay those taxes and any costs required to contest them;
- (AA) to maintain historical net rental income as a percentage of historical finance costs, each as determined in good faith by the Borrower (and approved by the Senior Facility Agent acting reasonably), of at least 110 per cent. (the **Interest Cover Test**);

(BB) ensure that ManagementCo enters into a duty of care agreement with the Security Agent, under which ManagementCo acknowledges it has notice of the security interests created under the Finance Documents and agrees to pay all rental income received by it into the Rent Account without any withholding, set-off or counterclaim; and if ManagementCo or any other management company appointed is in default of its obligations, (on the request of the Security Agent) to use reasonable endeavours to terminate that management company's appointment and appoint a new management company;

(CC) ensure that each Property Agent enters into a duty of care agreement with the Security Agent, under which each Property Agent acknowledges that it has notice of the security interests created under the Finance Documents; agrees to pay all Rental Income received by it into the Rent Account without any withholding, set-off or counterclaim and pending such payment, to hold such monies on trust for the benefit of the relevant Obligor; and if a Property Agent is in default of its obligations, (on the request of the Senior Facility Agent) to use reasonable endeavours to terminate that Property Agent's appointment and appoint a new Property Agent.

(xi) *Property development*

(A) Each Obligor undertakes not to enter into any contract, or incur any liability, in connection with the carrying out of any development, refurbishment, improvement or other capital works to a Property unless in respect of (i) capital works required to be carried out under any lease document or (ii) subject to Senior Facility Agent consent (acting reasonably), in connection with any refurbishment or improvement of existing space or other development of the Stillorgan Property (for the purpose of this paragraph, being the **Works**). The actual and contingent costs of the Works cannot exceed €7,500,000 and prior to their commencement, the Borrower must procure the availability of committed funding to Myrmidon CMBS (PropCo) Limited by way of a subordinated loan from an entity other than an Obligor to meet the entire cost of those works.

(B) In order for the Senior Facility Agent to give its consent, it must be satisfied (acting reasonably) that (i) the Interest Cover is at least 125 per cent. and will not fall below 125 per cent. as a result of the works, (ii) the passing net rental income under all of the lease documents in respect of the Stillorgan Property, will not fall by an amount in excess of 10 per cent. of the aggregate passing net rental income in respect of the Stillorgan Property during the period any works are ongoing as a direct consequence of the works, (iii) no Loan Event of Default is outstanding or is likely to arise as a result of the works; and (iv) the works will not have any adverse effect on the value of the Stillorgan Property. The Interest Cover will revert to 110 per cent. on such date as the Security Agent (acting reasonably) decides that the Works are complete (taking into account the architect's certificate).

(xii) *Disposals and substitutions*

(A) No Obligor will be permitted, without the consent of the Majority Senior Lenders, to dispose of all or any part of any of its assets other than:

(I) a Property or the entire issued share capital of a PropCo;

(II) cash paid out of a Borrower Account in accordance with the terms of the Senior Credit Agreement;

(III) by way of replacement of moveable plant and machinery and fixtures and fittings in accordance with the principles of good estate management; or

(IV) made in the ordinary course of trading of any assets subject to the floating charge created under the Loan Security,

provided that in respect of (I) above:

(a) no Loan Event of Default is outstanding or is likely to result from the disposal;

(b) the disposal will be made on arm's length terms;

(c) the net disposal proceeds will not be less than the Release Price in respect of that Property or, in the case of a disposal of shares in a PropCo, the Property owned by the relevant PropCo together with any prepayment expenses incurred under the Senior Credit Agreement; and

- (d) in the case of a disposal of shares in a PropCo, that PropCo has ceased to be a guarantor under the Senior Credit Agreement.
- (B) The proceeds of any disposal of a Property or Properties (less any reasonable costs of that disposal and the amount of any taxes payable as a result of that disposal) will be paid into the Disposals Account. The Obligors must apply amounts standing to the credit of the Disposals Account as follows:
- (I) in prepayment of the Senior Loan and, thereafter, the Junior Loan in an amount equal to the Release Price in respect of that Property or, in the case of a disposal of shares in a PropCo, the Property owned by the relevant PropCo in accordance with the mandatory prepayment waterfall set out in “*Obligor Transaction Documents and Cashflows – Senior Credit Agreement – Documentation – Mandatory Prepayment*”; or
 - (II) in the acquisition of a new property in substitution for the Property or Properties disposed of.
- (C) Any property acquired as a substitute property pursuant to the disposal of either a Property or the entire insured share capital of a PropCo must have the following characteristics:
- (I) tenants and/or guarantors of equivalent or superior credit quality to the tenants and/or guarantors of the Disposal Property;
 - (II) which, when added to the portfolio of Properties, allows the Properties to continue to have a similar or superior geographic and use diversity;
 - (III) a weighted average term of its Lease Documents (based on annual rental income) of equal to or greater than the weighted average term of the Lease Documents of the Disposal Property (on the same basis);
 - (IV) a projected net rental income equal to or greater than the net rental income in respect of the Disposal Property;
 - (V) a market value (determined in accordance with the Valuation of that property) equal to or greater than the value of the Disposal Property (determined in accordance with the most recent Valuation relating to the Disposal Property);
 - (VI) a market value which, when aggregated with the market value of all properties substituted into the Portfolio (in each case determined in accordance with the Valuation undertaken in connection with the acquisition of each such new property) not exceeding 25 per cent. of the aggregate market value of the Properties as at the utilisation date (determined in accordance with the initial valuation);
 - (VII) the Senior Facility Agent receiving, in the usual manner, certain documents and other matters as conditions precedent to the acquisition of the new property including (without limitation) confirmation from the Rating Agencies that the acquisition of the substitute property would not have an adverse effect on the rating of the Notes of any class; and
 - (VIII) no Default under the Senior Credit Agreement being outstanding or resulting from the substitution.
- (D) The Borrower must promptly notify the Senior Facility Agent as to whether the net disposal proceeds should be applied either in:
- (I) prepayment of the Loans and payment to the General Account in accordance with the priority of payments set out in “*Obligor Transaction Documents – Senior Credit Agreement – Mandatory Prepayments*”; or
 - (II) the acquisition of a substitute property.
- In the absence of such notification, within 15 Business Days of payment of the net disposal proceeds into the Disposals Account, the Borrower will be deemed to have chosen to prepay the Loans.
- (E) In this Offering Circular **Senior Allocated Loan Amount**, **Senior Release Price** and **Release Price** mean, respectively, in relation to a Property or the entire issued share capital of a PropCo the amount designated as such and set out opposite the name of that Property or that PropCo in the table below.

| | PropCo | Address of Property | Senior Allocated Loan Amount | Senior Release Price | Release Price |
|-----|---|---|-------------------------------------|-----------------------------|----------------------|
| 1. | Myrmidon CMBS (PropCo) Limited | Stillorgan Shopping Centre, Stillorgan | 110,421,058 | 115,942,111 | 130,664,919 |
| 2. | Marske CMBS (PropCo) Limited | Blocks A, B, C & D, Russell Court | 66,028,593 | 69,330,023 | 78,133,836 |
| 3. | Bracadale CMBS (PropCo) Limited | 40/42 Mespil Road | 65,436,644 | 68,708,476 | 77,433,362 |
| 4. | Candourity CMBS (PropCo) I Limited | Mason Hayes + Curran, 35/36 Barrow Street | 41, 781,144 | 43,870,201 | 49,441,020 |
| 5. | Pewley CMBS (PropCo) Limited | Baggot Buildings, Baggot Street and Fleming House, Fleming Lane | 35,869,142 | 37,662,599 | 42,445,151 |
| 6. | Achnasheen CMBS (PropCo) Limited | Store A, Merchants Quay Shopping Centre, Cork | 20,875,586 | 21,919,365 | 24,702,776 |
| 7. | Candourity CMBS (PropCo) II Limited | The Warehouse, 35 Barrow Street | 12,513,363 | 13,139,031 | 14,807,479 |
| 8. | Trobatch CMBS (PropCo) Limited | 35 Henry Street | 5,477,406 | 5,751,276 | 6,481,597 |
| 9. | Cragthorn CMBS (PropCo) Limited | Charlemont House, Charlemont Place | 5,252,615 | 5,515,246 | 6,215,594 |
| 10. | Whimble CMBS (PropCo) Limited | Crescent Hall, Mount Street Crescent | 3,356,878 | 3,524,722 | 3,972,306 |
| 11. | Bobbio CMBS (PropCo) Limited | Ground floor and basement, 3 College Green | 3,203,271 | 3,363,435 | 3,790,537 |
| 12. | Hartsley CMBS (PropCo) Limited | 41 St Stephen's Green | 2,154,247 | 2,261,959 | 2,549,192 |
| 13. | Westmoreland Property Company CMBS (PropCo) Limited | 16 Westmoreland Street | 1,981,907 | 2,081,002 | 2,345,256 |
| 14. | Tandoori Rooms CMBS (PropCo) Limited | Basement and ground floor, 18 Fleet Street | 648,147 | 680,555 | 766,974 |

(xiii) Events of default

The Senior Credit Agreement will contain usual events of default entitling the Issuer and any other Lenders (subject in certain cases, to customary grace periods and materiality thresholds) to accelerate the Senior Loan and/or enforce the Loan Security (including any Related Security), including among other things:

- (A) failure to pay on the due date any amount due under the Finance Documents (excluding any amount of deferred interest);
- (B) breach of other specified obligations under the Finance Documents;
- (C) any representation or warranty was incorrect or misleading in any material respect at the date it was given;

- (D) any Obligor, the Intermediate Parent, Option GrantCo, OptionCo or Option HoldCo is unable to pay its debts or is deemed to be insolvent or other insolvency acts or events occur including, among other things, the commencement of insolvency proceedings, the appointment of any liquidator, provisional examiner, examiner, receiver or administrative receiver or the attachment or sequestration of any asset but excluding, any petition for winding-up presented by a creditor which is being contested in good faith and with due diligence and is discharged or struck out within 30 days;
- (E) any Obligor ceases or declares an intention to cease, to carry on business except, in the case of a Guarantor, as a result of any disposal allowed under the Senior Credit Agreement;
- (F) it is or becomes unlawful for any Obligor, Intermediate Parent, Option HoldCo or a Subordinated Creditor to perform any of its material obligations under any Senior Finance Document or Junior Finance Document or any material provision of a Senior Finance Document or Junior Finance Document is not effective in accordance with its terms or is declared by any such party to be ineffective or any such party repudiates or declares an intention to repudiate any Senior Finance Document or Junior Finance Document;
- (G) a failure by Option GrantCo to comply with any term of the Option Agreement;
- (H) a compulsory purchase or an order for compulsory purchase from the applicable local authority of all or any part of any Property which in the reasonable opinion of the Majority Senior Lenders (taking into account the amount and timing of any compensation proceeds) has or will have a Material Adverse Effect unless the Borrower procures either within a specified time:
 - (I) the prepayment and payment of the Senior Loan and Junior Loan and related prepayment expenses in amounts that would have been required to have been prepaid and paid if the Property had been disposed of; or
 - (II) the charging of an acceptable substitute property for that property, in accordance with "*Obligor Transactions Documents – Senior Credit Agreement – Disposals and substitutions*".
- (I) any part of any Property is destroyed or damaged where in the reasonable opinion of the Majority Lenders, taking into account the amount and timing of receipt of the insurance proceeds, the destruction or damage has or will have a Material Adverse Effect unless the Borrower procures either:
 - (I) the prepayment and payment of the Senior Loan and Junior Loan and related prepayment expenses in amounts that would have been required to have been prepaid and paid if the Property had been disposed of; or
 - (II) the charging of an acceptable substitute property for that property, in accordance with "*Obligor Transaction Documents – Senior Credit Agreement – Disposals and substitutions*";
- (J) any forfeiture of a headlease or the commencement of any forfeiture proceedings (except in circumstances where relief is being sought and the Senior Facility Agent is satisfied that such relief will be forthcoming) unless the Borrower procures prior to the commencement of those proceedings or the forfeiture either:
 - (I) the prepayment and payment of the Senior Loan and Junior Loan and related prepayment expenses in amounts that would have been required to have been prepaid and paid if the Property had been disposed of; or
 - (II) the charging of an acceptable substitute property for that Property, in accordance with "*Obligor Transaction Documents – Senior Credit Agreement – Disposals and substitutions*";
- (K) Save as agreed by the Majority Lenders:
 - (I) the Borrower is not or ceases to be a legally and beneficially wholly owned subsidiary of Intermediate HoldCo;
 - (II) Intermediate HoldCo is not or ceases to be a legally and beneficially wholly owned subsidiary of the Intermediate Parent;

- (III) a PropHoldCo is not or ceases to be a legally and beneficially wholly owned subsidiary of Option GrantCo; or
- (IV) a PropCo is not or ceases to be a legally and beneficially wholly owned subsidiary of a PropHoldCo (as to its Class B Shares) and Intermediate HoldCo (as to its Class A Shares).

In relation to non-payment and breaches of other obligations, the Senior Credit Agreement includes customary grace periods.

Upon the occurrence of a Loan Event of Default which has not been remedied within the applicable grace period, the Senior Facility Agent may by notice to the Borrower cancel any outstanding commitments under the Credit Agreement and/or declare that all or part of any amounts outstanding under the Finance Documents are immediately due and payable and/or payable on demand by the Senior Facility Agent acting on the instructions of the Majority Senior Lenders and/or declare that all or any of the security created by a Security Document has become enforceable.

2. The Junior Loan

The junior credit agreement will be entered into on or before the Closing Date between the Borrower, the other Obligors, the Loan Arranger, the Junior Lender, the Junior Facility Agent and the Security Agent (the **Junior Credit Agreement**). Pursuant to the terms of the Junior Credit Agreement, the Junior Lender will make a loan (the **Junior Loan**) in an aggregate principal amount of €50,000,000 to the Borrower. €44,429,181 will be available to the Borrower on the Closing Date with the remaining €5,570,819 becoming available on the MHC Completion Date. The proceeds of the Junior Loan will be used by the Borrower, together with the proceeds of the Senior Loan, to make advances to the PropCos under the PropCo Loans. The obligations in respect of the repayment of principal and payment of interest to the Junior Lender will be subordinate to the equivalent obligations under the Senior Loan.

If an Obligor fails to pay any amount due and payable under either a Finance Document or a Junior Finance Document or has failed to comply with any term of a Finance Document or a Junior Finance Document or the Borrower fails to remedy a breach of its Interest Cover Test under the Senior Credit Agreement, a Junior Lender may, pursuant to the terms of the Junior Credit Agreement make a loan to the Borrower to enable it to pay that amount or, as the case may be, cure that breach (a **Junior Cure Loan**).

Other than in respect of the terms set out above and the interest payable in respect of the Junior Loan, the requirement of a guarantee from CMH and Real Estate Opportunities as a condition precedent and the inclusion of a separate financial covenant in respect of loan to value, the Junior Loan will generally reflect the terms described in "*The Senior Credit Agreement*" above.

The Junior Credit Agreement will be governed by Irish law.

3. The PropCo Loan Agreement

The propco loan agreement will be entered into on or before the Closing Date between the Borrower and the PropCos (the **PropCo Loan Agreement**). Pursuant to the terms of the PropCo Loan Agreement, the Borrower will make a loan to each PropCo (each a **PropCo Loan** and, together the **PropCo Loans**). Such PropCo Loans will, together with the proceeds of the relevant Subordinated Loan be utilised by each PropCo to fund its acquisition of the relevant Property from the Old PropCos on the Closing Date or, in respect of the MHC Building, the MHC Completion Date.

Pursuant to the terms of the PropCo Loan Agreement, each PropCo will jointly and severally guarantee the obligations of each other PropCo under their respective PropCo Loan (the **Subordinated Guarantee**). A PropCo's obligations under this Subordinated Guarantee will be unsecured limited recourse obligations of each PropCo.

Each PropCo Loan will constitute limited recourse obligations of the PropCo and will be unsecured. Payments due by a PropCo to the Borrower will be subordinated to any payments due by a PropCo in respect of the Guarantee.

The PropCo Loans will bear interest in an aggregate amount equal to all interest due on the Senior Loan and the Junior Loan, and all of the Borrower's expenses (including the Issuer Expenses Amount and any Prepayment Fees), in each case, payable under the Senior Loan and the Junior Loan on such Interest Payment Date.

The PropCo Loan Agreement will be governed by Irish Law.

4. The Intercreditor Agreement

The intercreditor agreement will be entered into on or about the Closing Date between, amongst others, the Obligors, the Issuer, the Initial Junior Lender, ManagementCo CMH and the Hedge Counterparties (the **Intercreditor Agreement**).

In this section:

Document means a Senior Finance Document, a Junior Finance Document, the Property Management Outsourcing Agreement, the Obligor Corporate Services Agreement or the Funding Agreement;

Excess Senior Debt means any Senior Debt which exceeds the amounts capable of being advanced by the Senior Creditors under the original terms of the Senior Finance Documents (excluding the Senior Lenders' ability to increase the total commitments with the consent of the Junior Lender) less the amount of any permanent repayment or prepayment of that Senior Debt;

Grace Period means the period beginning on the date of the occurrence of a Remediable Default and ending 15 business days after delivery of a notification from the Senior Facility Agent or the Security Agent to the Junior Facility Agent of the occurrence of a Remediable Default or, if by the expiry of that 15 business day period, the Junior Facility Agent has served a Remedy Notice on the Senior Facility Agent or the Security Agent with respect to that Remediable Default, ending ten business days after the date of service of that Remedy Notice;

Junior Creditor means a Junior Lender, a Junior Hedge Counterparty or the Junior Facility Agent;

Junior Debt means all liabilities payable or owing by any Obligor to a Junior Creditor under or in connection with the Junior Finance Documents;

Management Debt means any liability of an Obligor owed to ManagementCo under the Property Management Outsourcing Agreement or the Obligor Corporate Services Agreement;

Material Loan Default means:

- (a) a failure to pay on the due date any amounts due to an Obligor Secured Creditor under the Senior Credit Agreement; or
- (b) a breach of the Borrower's undertakings in relation to the Interest Cover Ratio in respect of the Senior Loan,

but excludes such a default insofar as it is the subject of a Junior Cure Loan in an amount necessary to fund the relevant prepayment or deposit;

PropCo Debt means any liability of an Obligor to a PropCo under the Funding Agreement;

Remediable Default means the occurrence of any event of default under a Credit Agreement (except an event of default arising because of the insolvency of an Obligor) for so long as it is continuing which is capable of remedy within the Grace Period;

Remedy Notice means a notice stating that a Junior Creditor wishes to remedy a Remediable Default;

Senior Creditor means a Senior Lender, a Senior Hedging Counterparty, the Senior Facility Agent, or the Loan Arranger; and

Senior Debt means all liabilities payable or owing by any Obligor to an Obligor Secured Creditor under or in connection with the Senior Finance Documents.

Pursuant to the terms of the Intercreditor Agreement, the Obligor Secured Creditors have established the priorities of payment and subordination in relation to their rights under the Senior Finance Documents, the Junior Finance Documents, the Property Management Outsourcing Agreement, the Obligor Corporate Services Agreement and the Funding Agreement.

For so long as no Material Loan Default is outstanding, on each Interest Payment Date, all amounts standing to the credit of the Rent Account will be applied in accordance with the Borrower Pre-Event of Default Priority of Payments. See "*Obligor Transaction Documents and Cashflows – Borrower Accounts*".

If a Material Loan Default has occurred and remains outstanding the Security Agent will, subject to the escrow arrangement referred to below, on each Interest Payment Date or promptly on receipt if any of

the Senior Debt is due and payable, apply all amounts received in respect of the Senior Finance Documents, the Junior Finance Documents, the Property Management Outsourcing Agreement, the Obligor Corporate Services Agreement and the Funding Agreement including, subject to the rights of any creditor with prior security or any preferential claim, the proceeds of any enforcement of the Loan Security in accordance with the Borrower Post-Event of Default Priority of Payments. See "*Obligor Transaction Documents and Cashflows – Borrower Accounts*".

If a Material Loan Default occurs and remains outstanding, the Security Agent will pay any amounts standing to the credit of the Rent Account in respect of the Junior Debt and the PropCo Debt directly into an escrow account (the **escrow account**). The escrow account must be held at a bank that has short-term debt instruments in issue with a rating of F1 (or better) by Fitch and A-1+ (or better) by S&P and that is otherwise acceptable to the Lenders. The Security Agent will apply amounts standing to the credit of the escrow account (including any accrued interest) either:

- (a) to the Junior Lenders and PropCos for application against the Junior Debt and PropCo Debt if either:
 - (A) the relevant Material Loan Default has been remedied and no other Material Loan Default has occurred and is outstanding; or
 - (B) no enforcement action has been taken within the relevant standstill period (as described below) following the occurrence of the relevant Material Loan Default; or
- (b) in accordance with the Borrower Post-Event of Default Priority of Payments if any enforcement action has been taken within the relevant standstill period (as described below) following the occurrence of the relevant Material Loan Default.

No party will be permitted, without the consent of both the Senior Creditors and the Junior Creditors (and except in cases of routine administrative or procedural changes), to amend or waive any term of, or give any consent under, either the Senior Finance Documents or the Junior Finance Documents in a manner that would, among other things, result in: (a) an increase in the amount of any payment under either the Senior Finance Documents or the Junior Finance Documents; (b) any payment being required to be paid earlier or more frequently than originally provided; (c) any delay or reduction in payment to a Junior Creditor; (d) any change in the calculation of payments under either the Senior Finance Documents or the Junior Finance Documents; (e) an Obligor becoming liable to make any additional payments or increase any existing payment; (f) any change to the clauses of the Credit Agreements which relate to mandatory prepayment of disposal proceeds, the Borrower Post-Event of Default Priority of Payments, the bank accounts or the interest cover and loan to value financial covenants; (g) a material amendment to or waiver of any provision in a Security Document; or (h) any change to the ranking or subordination achieved by the Intercreditor Agreement.

Notwithstanding provisions in the Senior Credit Agreement, a party to the Intercreditor Agreement may only amend or waive a term of a Senior Finance Document or a Junior Finance Document to which it is a party, or give its consent or approval under a term of any Senior Finance Document or Junior Finance Document providing for that consent or approval, if the amendment or waiver is made or the consent or approval is given, in accordance with that Finance Document and:

- (a) the Majority Lenders under both the Senior Credit Agreement and the Junior Credit Agreement agree;
- (b) it is a procedural, administrative or other change arising in the ordinary course of administration of the relevant facility and is not material; or
- (c) in the case of a consent or approval, the party concerned considers that it would be in breach of the terms of the relevant Document if it failed to give its consent or approval,

provided always that as between the parties, the Obligors are entitled to rely on any amendment, waiver or approval given to them or either of them in accordance with the relevant Document pursuant to which it is given. Save where the consent of the Majority Senior Lenders and the Majority Junior Lenders is required under the Intercreditor Agreement, any waiver or consent granted by or on behalf of the Majority Lenders under the Senior Credit Agreement in respect of any Finance Document will also be deemed to have been given by the Majority Lenders under the Junior Credit Agreement if: (a) any transaction or circumstances would, in the absence of that waiver or consent, conflict with any term of, or constitute a default under, any Senior Finance Document or Junior Finance Document; and (b) the matter being waived or consented to has not had and is not reasonably likely to have a material

adverse effect and either relates solely to formal, minor or technical matters in the day to day operation of the relevant facility or is to correct a manifest error.

After the occurrence of a Remediable Default, the Junior Creditors shall have the right, but not the obligation, to cure that Remediable Default within the applicable Grace Period. When, as a consequence of the occurrence of a Remediable Default, one or more Senior Creditors have the right, pursuant to the terms of the Finance Documents, to take, or to require the Senior Facility Agent or the Security Agent to take, enforcement action, those Obligor Secured Creditors must delay taking such action or requiring that agent to take such action during the Grace Period. During any Grace Period in respect of a Remediable Default and any period after a Grace Period in respect of a Remediable Default but before the taking of any enforcement action in respect of that Remediable Default, a Junior Creditor may take whatever action it considers desirable so as to remedy or cure the relevant Remediable Default (including making a Junior Cure Loan to the Borrower in accordance with the terms of the Junior Credit Agreement). A Subsidy Loan is a Junior Cure Loan made to the Borrower to remedy a default of the Interest Cover Ratio. There will be no limit on a Junior Creditor's right to remedy a Remediable Default, other than remedy by means of a Subsidy Loan, which remedy will be limited to no more than six times during the life of the Senior Loan and no more than two consecutive times within any 12 month period.

Furthermore, the Junior Creditors will have the right, upon a failure to pay any amounts due under the Senior Credit Agreement, a breach of the Borrower's undertakings under the Senior Credit Agreement with respect to the Interest Cover Ratio, an insolvency related event of default or any event of default under the Junior Credit Agreement (a **Junior Loan Event of Default**), to purchase the Senior Loan by means of transfer under the Senior Credit Agreement by notice to the Security Agent. There will be no limit on the Junior Lenders' right to purchase the Senior Loan pursuant to the terms of the Intercreditor Agreement. Any transfer will only take effect against payment in full of an amount determined by the Security Agent (acting reasonably) to be equal to the Senior Loan outstanding (together with any break costs in respect of the Senior Hedging Arrangements should these not be novated to the purchasing Junior Lender) as at the date the amount is received. The Issuer will then redeem all of the Notes at their then Principal Amount Outstanding together with accrued interest thereon.

A Junior Creditor will be prevented from taking enforcement action unless (a) the relevant Junior Loan Event of Default is still outstanding at the end of its specified standstill period (as described below) and the market value of the Properties is greater than 120 per cent. of the then outstanding Senior Debt as determined in accordance with the Valuation or any subsequent valuation requested by the Lenders or (b) the Senior Debt has been accelerated. The Intercreditor Agreement will provide for standstill periods of 100 days for any Junior Loan Event of Default that is a payment default in respect of the Junior Debt, 120 days for any which is a failure of the Borrower to comply with the Borrower's undertakings in relation to loan to value of the Junior Loan and interest cover ratio financial covenants and 150 days for any other Junior Loan Event of Default, in each case from the date the Security Agent receives notice of that Junior Loan Event of Default from the Junior Lenders.

The Security Agent will also be prevented, without the consent of the Majority Lenders under the Junior Credit Agreement, from taking any enforcement action (a) with respect to a payment default relating solely to the Junior Loan; (b) with respect to a failure of the Borrower to comply with its financial covenants in relation to loan to value and interest cover ratio under the Junior Credit Agreement where there is no breach of the Interest Cover Ratio under the Senior Credit Agreement; or (c) where a Cure Loan has been made with respect to the event of default.

No Secured Creditor may assign or transfer any of its debt or any of its rights and obligations under any Senior Finance Document or Junior Finance Document unless the assignment or transfer is allowed under the terms of the relevant credit agreement and the transfer or assignment is effected in accordance with the terms of that credit agreement and that person agrees to be bound by the terms of the Intercreditor Agreement as a Senior Creditor or Junior Creditor (as applicable) by delivering to the Security Agent an accession agreement and certain conditions precedent. Whilst a Junior Loan Event of Default is outstanding under the Junior Credit Agreement, a Junior Creditor will disclose to the Junior Facility Agent (who will then disclose to the other Junior Creditors) the identity of any person who has taken a credit risk whether (by way of sub participation or otherwise) in relation to that Junior Creditor's participation in the Junior Debt.

Additionally, the PropHoldCos, the PropCos and Intermediate HoldCo will each, pursuant to the Intercreditor Agreement, jointly and severally guarantee (on the limited recourse basis as described in the "*Transaction Summary – Key Characteristics of the Senior Credit Agreement*") the obligations of the

Obligors to the Obligor Secured Creditors and (subject to such limited recourse) have undertaken to pay any amount not paid by the Borrower when due in respect of the Obligor Secured Obligations and to indemnify each Obligor Secured Creditor immediately on demand against any loss or liability suffered by that Obligor Secured Creditor if any guaranteed obligation is or becomes unenforceable, invalid or illegal.

The recourse of the Obligor Secured Creditors to each PropHoldCo, each PropCo and Intermediate HoldCo will be limited to the Obligor Security granted by the relevant Obligor pursuant to the Security Agreement, and any other Security Document.

5. The Security Agreement

The security agreement will be entered into on or about the Closing Date between the Borrower, the Intermediate HoldCo, each PropCo, each PropHoldCo, ManagementCo, the Hedge Counterparties, the Junior Lender, the Issuer, the Senior Facility Agent, the Junior Facility Agent and the Security Agent (the **Security Agreement**). The Security Agreement will secure, among other things, all the obligations of the Borrower, Intermediate HoldCo, the PropCos and the PropHoldCos to the Issuer pursuant to the Senior Credit Agreement, the Junior Credit Agreement and the Guarantee and will be drafted on a security trust basis, so that the Security Agent will hold the security created pursuant to the Security Agreement on trust for the Obligor Secured Creditors.

(a) Creation of security

The Security Agreement will grant in favour of the Security Agent a first ranking charge by way of legal mortgage over each Property and any other properties belonging to the PropCos and a first fixed charge over, among other things, any plant and machinery belonging to each PropCo, the relevant PropCo's interest in any Occupational Leases and any shares held by a PropHoldCo and Intermediate HoldCo in a relevant PropCo and the Borrower, as applicable, and a legal assignment by way of security of the Obligor's interest in any insurance policy relating to a Property, the rights of each PropCo in respect of the Property Management Outsourcing Agreement and each Subordinated Loan Agreement, the rights of the Borrower in respect of the Hedging Arrangements, the Borrower Accounts and any other account of the Borrower or any other Obligor, interests in any trusts over the relevant Collection Accounts, the Borrower's rights under the PropCo Loan Agreement, the Senior Loan Agreement and the Junior Loan Agreement and book and other debts of each Obligor.

In addition, each PropCo and the Borrower, as applicable, will assign absolutely to the Security Agent by way of security its interests in: (i) all Rental Income and any guarantee of rental income contained in or relating to any occupational lease in respect of the Property; and (ii) the Hedging Arrangements, respectively.

Each Obligor will also grant a first floating charge in favour of the Security Agent over all of its assets not otherwise mortgaged, charged or assigned by way of fixed mortgage or charge or assignment under the Security Agreement.

(b) Enforceability and Governing Law

The security to be created by the Security Agreement will only be enforceable once a Loan Event of Default under the Senior Credit Agreement has occurred. The charge will confer upon the Security Agent and any receiver appointed by it a wide range of powers in connection with the sale or disposal of the relevant Property and its management, and each of them will be granted a power of attorney on behalf of the Obligors in connection with the enforcement of its security save that a sale of a Property may not occur within two years of the Closing Date and the Security Agreement will contain a restriction limiting the power of sale of the Security Agent and any receiver during such period.

The Security Agreement will be governed by Irish law, save for the security granted in respect of the Borrower Transaction Account, and any other account of the Borrower located in England, which will be governed by and construed in accordance with English law.

(c) Related Security

In addition to the Security Agreement, the Senior Loan will be secured by additional Related Security.

A mortgage of shares will be entered into on or before the Closing Date between the Intermediate Parent and the Security Agent (the **Intermediate Parent Mortgage of Shares**).

The Intermediate Parent Mortgage of Shares will create a first fixed equitable charge over all shares in Intermediate HoldCo and Option GrantCo as security in respect of the obligations of the Obligor under the Obligor Transaction Documents. Under the Intermediate Parent Mortgage of Shares, the Intermediate Parent will give the usual representations as to, among other things, its incorporation and due authority and also undertake in the usual manner, among other things, not to further charge, sell, transfer or otherwise dispose of the relevant shares in Intermediate HoldCo and Option GrantCo.

The Intermediate Parent Mortgage of Shares will be governed by Irish law.

A subordination deed will be entered into on or before the Closing Date between, among others, the Borrower, the Old PropCos, the PropCos, the PropHoldCos, Intermediate HoldCo, the Borrower and the Issuer (a **Subordination Deed** and, together with any other subordination deed entered into by an Obligor, the **Subordination Deeds**).

Each PropCo under the Subordinated Guarantee, the Borrower in respect of the PropCo Loan Agreement, the Old PropCo in respect of the Subordinated Loans and any other subordinated creditor who executes or accedes to a subordination deed are, together, the **Subordinated Creditors**.

The obligations of the relevant Obligor to the Subordinated Creditors will be fully subordinated to all amounts due to the Obligor Secured Creditors under the Finance Documents pursuant to the Subordination Deed. Under the Subordination Deed, the relevant Obligor will undertake, among other things, not to secure any part of the subordinated liabilities and not to repay all or any part of the subordinated liabilities save as permitted under the Intercreditor Agreement and/or the Subordination Deed. The latter undertaking will be qualified to the extent that the Borrower and the Obligors will be permitted to make payments to the Subordinated Creditors from the General Account provided that no Loan Event of Default under the Senior Credit Agreement and the Junior Credit Agreement is outstanding, and subject to the consent of the Security Agent to the release of funds from the Rent Account to the General Account. Each Subordinated Creditor will give the usual undertakings, including, in particular, that it will not take any steps leading to the examinership, winding up or dissolution of the relevant Obligor.

Each Subordination Deed will be governed by Irish law.

Additionally a mortgage of shares will be entered into on or before the Closing Date between CMH, and the Security Agent (the **CMH Mortgage of Shares**).

The CMH Mortgage of Shares will create security over the shares held by CMH in the Intermediate Parent and Cubette. The CMH Mortgage of Shares will provide security for CMH's obligations under the Tax Deed of Covenant.

The CMH Mortgage of Shares will be governed by Irish law.

6. Subordinated Loan Agreements

The subordinated loan agreement will be entered into on or before the Closing Date between each PropCo and the relevant Old PropCo (each a **Subordinated Loan Agreement** and, together the **Subordinated Loan Agreements**). Pursuant to the terms of each Subordinated Loan Agreement, the Old PropCo will make a loan to the relevant PropCo (each a **Subordinated Loan** and, together the **Subordinated Loans**). Such Subordinated Loans will, together with the proceeds of the relevant PropCo Loan be utilised by each PropCo to fund its acquisition of the relevant Property from the Old PropCos on the Closing Date or, in the case of the MHC Building, the MHC Completion Date.

Each Subordinated Loan will be for a principal amount equal to the difference between the acquisition price of the relevant Property and the amount advanced under the relevant PropCo Loan.

Each Subordinated Loan will constitute unsecured limited recourse obligations of the relevant PropCo. Any payments in respect of the Subordinated Loan will be subordinated to payments due under, among other things, the Senior Loan (including the Guarantee) and the Junior Loan.

The Subordinated Loan Agreement will be governed by Irish Law.

7. Property Management Outsourcing Agreement

ManagementCo will be appointed as manager of the Properties pursuant to the terms of a property management agreement to be entered into on or around the Closing Date (the **Property Management Outsourcing Agreement**). Pursuant to the terms of the Property Management Outsourcing Agreement, ManagementCo will undertake to manage the Properties and will pay any third party

expenses on the part of the relevant PropCo. ManagementCo will undertake to procure that all Rental Income from the Properties is paid into either: (i) the Rent Account; or (ii) a separate account held in the name of the Managing Agent (a **Managing Agent Account**) or an account in the name of existing affiliates of Treasury Group Holdings, an Old PropCo or Cubette Limited (a **Collection Account**) on trust for the relevant PropCos. Any Rental Income paid into a Managing Agent Account or a Collection Account must be transferred into the Rent Account without set-off or counterclaim. ManagementCo may, pursuant to the terms of the Property Management Outsourcing Agreement, delegate all or part of its duties under the Property Management Outsourcing Agreement to managing agents (each such agent a **Managing Agent** and, together the **Managing Agents**). Each Managing Agent and ManagementCo must enter into a duty of care agreement (each such agreement a **Duty of Care Agreement** and, together the **Duty of Care Agreements**) with the Security Agent.

On the Closing Date, ManagementCo will delegate all of its property management obligations to the Managing Agents, each of which will enter into a property management agreement (each a **Property Management Agreement**) with ManagementCo.

The PropCos will pay ManagementCo a fee payable quarterly in arrears equal to the amount of service charge and other tenant contributions received in the Rent Account plus (i) any costs and expenses incurred by ManagementCo in performance of its services under the Property Management Outsourcing Agreement and (ii) such amount as will ensure that ManagementCo has a reserve available to meet its obligations under the Property Management Outsourcing Agreement of at least €100,000.

The Property Management Outsourcing Agreement will be governed by Irish law.

8. Obligor Corporate Services Agreement

The Borrower, the PropCos, the PropHoldCos, Option GrantCo, the Intermediate Parent, Intermediate HoldCos, the Security Agent and ManagementCo will enter into a corporate services agreement (the **Obligor Corporate Services Agreement**) on or before the Closing Date pursuant to which ManagementCo will agree to provide certain administrative services (including the payment of any amounts due to the Borrower Account Bank and the Borrower Transaction Account Bank under the Obligor Account Bank Agreement) to the Borrower, the PropCos, the PropHoldCos, Option GrantCo, the Intermediate Parent, Intermediate HoldCo and ManagementCo will be entitled to receive a fee and a reimbursement of any expenses incurred in connection with the provisions of services under the Obligor Corporate Services Agreement.

The Obligor Corporate Services Agreement will be governed by Irish law.

9. Obligor Account Bank Agreement

The Borrower, the Borrower Account Bank, the Issuer, ManagementCo, the Senior Facility Agent and the Security Agent will enter into an agreement (the **Obligor Account Bank Agreement**) on or before the Closing Date pursuant to which the Borrower will establish the Borrower Accounts (as defined below) other than the Borrower Transaction Account.

Payments will be made into and out of the Borrower Accounts in accordance with the provisions of the Senior Credit Agreement as described under "*Obligor Transaction Documents and Cashflows – Borrower Accounts*" below.

If the Borrower Account Bank ceases to be a **Borrower Eligible Bank** (being an Irish bank or an Irish branch of a bank) the short-term, unsecured, unguaranteed and unsubordinated debt obligations of which are rated at least "F1" (or better) by Fitch and "A-1" (or better) by S&P or is otherwise acceptable to the Rating Agencies), the Borrower will be required to arrange for the transfer (within a reasonable time having obtained the consent of the Original Lender and the Security Agent) of the Borrower Accounts (other than the Borrower Transaction Account) to a Borrower Eligible Bank on terms acceptable to the Security Agent.

If any amount remains standing to the credit of a Borrower Account (other than the Borrower Transaction Account) for a period of 30 days or more, such amount will be transferred to an account held with an Irish or UK bank acceptable to the Security Agent and which has ratings at least as high as those required for an Eligible Bank. In addition, if at any time an amount equal to 20 per cent. or more of the principal balance outstanding of the Senior Loan is standing to the credit of a Borrower Account, such amount must be transferred immediately to an Irish bank or a UK bank acceptable to the Security Agent and which has ratings at least as high as those required for an Eligible Bank.

If, other than in the circumstances specified above, the Security Agent wishes the bank or branch at which any account of the Borrower, other than the Borrower Transaction Account, is maintained to be changed, the Security Agent will be required to obtain the prior written consent of the Borrower, such consent not to be unreasonably withheld, and the transfer of such account will be subject to the same directions and arrangements as are provided for above.

The Obligor Account Bank Agreement will be governed by Irish law.

10. Borrower Transaction Account Bank Agreement

The Borrower, the Borrower Transaction Account Bank, ManagementCo, and the Security Agent will enter into an agreement (the **Borrower Transaction Account Bank Agreement**) on or before the Closing Date pursuant to which the Borrower will establish the Borrower Transaction Account (as defined below).

Payments will be made into and out of the Borrower Transaction Account in accordance with the provisions of the Senior Credit Agreement as described under "*Obligor Transaction Documents and Cashflows – Borrower Accounts*" below.

If the Borrower Transaction Account Bank ceases to be an **Eligible Bank** (being a UK bank or a UK branch of a bank) the short-term, unsecured, unguaranteed and unsubordinated debt obligations of which are rated at least "F1+" (or better) by Fitch and "A-1+" (or better) by S&P, or is otherwise acceptable to the Rating Agencies), the Borrower will be required to arrange for the transfer (within a reasonable time having obtained the consent of the Security Agent) of the Borrower Transaction Account to an Eligible Bank on terms acceptable to the Security Agent.

If, other than in the circumstances specified above, the Security Agent wishes the bank or branch at which the Borrower Transaction Account is maintained to be changed, the Security Agent will be required to obtain the prior written consent of the Borrower, such consent not to be unreasonably withheld, and the transfer of such account will be subject to the same directions and arrangements as are provided for above.

The Borrower Transaction Account Bank Agreement will be governed by English law.

11. Collection Account Trust Agreements

Existing affiliates of Treasury Group Holdings, the relevant Old PropCo or Cubette, as applicable, will, on or before the Closing Date, enter into a trust account agreement, (each a **Collection Account Trust Agreement** and together, the **Collection Account Trust Agreements**) in respect of each Collection Account with the bank (each a **Collection Account Bank** and together, the **Collection Account Banks**) at which the relevant Collection Account is held. Pursuant to the Collection Account Trust Agreements, the existing affiliates of Treasury Group Holdings, the relevant Old PropCo or Cubette, as applicable, will declare a trust over amounts standing to the credit of the relevant Collection Account in favour of the relevant PropCo. All amounts representing Rental Income deposited in a Collection Account will be transferred without set-off or deduction to the Rent Account.

Each Collection Account Trust Agreement will be governed by Irish Law.

12. Tax Deed of Covenant

The obligations of the Borrower, the other Obligors, Option GrantCo the Intermediate Parent and CMH under, amongst other things, the Finance Documents will be supported by a deed of covenant (the **Tax Deed of Covenant**) to be entered into on or about the Closing Date. Pursuant to the Tax Deed of Covenant, amongst other things, the Obligors, Option GrantCo, the Intermediate Parent and CMH will give certain representations and warranties in relation to the tax affairs of the Obligors and the CMH Group, for the benefit of the Security Agent.

Pursuant to the Tax Deed of Covenant, the Obligors, Option GrantCo, the Intermediate Parent and CMH will undertake not to break or act in a manner that could result in a degrouping for the purposes of Irish tax on capital gains or stamp duty purposes of the PropCos and the Old PropCos.

CMH will grant a fixed equitable charge over all its shares in the Intermediate Parent and Cubette as security for its obligations under the Tax Deed of Covenant.

The Tax Deed of Covenant will be governed by Irish law.

13. Option Agreement

A share option agreement will be entered into between Option GrantCo and OptionCo on or prior to the Closing Date (the **Option Agreement**). Pursuant to the Option Agreement, Option GrantCo will grant options to OptionCo to purchase all of the shares owned by Option GrantCo in each PropHoldCo (each such option an **Option** and, together the **Options**).

Each PropCo will have two classes of shares only: (i) 100 A Ordinary shares (the **Class A Shares**), and (ii) 50 B Ordinary shares (the **Class B Shares**). Intermediate HoldCo will hold the Class A Shares. The Class B Shares will be held by the relevant PropHoldCo. Each PropHoldCo will issue 50 Ordinary Shares (the **PropHoldCo Shares**), all of which will be held by Option GrantCo. OptionCo will pay the Initial Price (as defined below) on the Closing Date for each Option.

The Option in respect of the relevant PropHoldCo will be exercisable on the occurrence of a **Trigger Event** which means the occurrence of the latter of the following:

- (a) the Irish Business Day which falls two years after the date on which the relevant PropCo acquires a Property or Properties from the Old PropCo; and
- (b) the next succeeding Irish Business Day following the occurrence of both of the following events:
 - (i) the appointment of a Receiver to the relevant PropCo under the Security Agreement following enforcement of the security created therein; and
 - (ii) such Receiver has delivered to the Security Agent a notice that it will exercise its power of sale in respect of the relevant Property within 14 days.

As part of the security, Option GrantCo will enter into the Option GrantCo Mortgage of Shares and will deliver share certificates and unexecuted stock transfer forms to OptionCo on the Closing Date in respect of the shares in each PropHold Co.

On or around the Closing Date, the Issuer will lend OptionCo (on a limited recourse basis) the total of the aggregate of the initial price for each Option in the sum of €100 (the **Initial Price**) and the aggregate of the Exercise Price (together the **Option Price**). On the occurrence of a relevant Trigger Event, OptionCo will have the right to exercise an Option for an exercise price in the sum of €100 (the **Exercise Price**).

At the end of the option period, Option GrantCo will have the right to cancel the Options and on cancellation will make a final payment of €100 (the **Final Payment**) to OptionCo in respect of each Option. The option period shall terminate on the earlier of:

- (a) the date on which all of the Issuer's obligations in relation to the Issuer Secured Creditors have been discharged in full; or
- (b) the date falling five years after the earlier of Final Maturity Date or the date on which the Notes have been redeemed in full or the obligations of the Issuer in respect of the Notes have been otherwise discharged or extinguished.

Option GrantCo will additionally agree to pay OptionCo an amount of liquidated damages equal to any liquidated damages due and payable by OptionCo under the Option Exercise Deed.

The Option Agreement will be governed by Irish law.

14. Option Exercise Deed

An exercise deed will be entered into between OptionCo, Option HoldCo, the Issuer, the Trustee and the Security Agent on or prior to the Closing Date (the **Option Exercise Deed**). Pursuant to the Option Exercise Deed, OptionCo will covenant in favour of the Issuer, the Trustee and the Security Agent that it will exercise the Option on the occurrence of a Trigger Event. Option HoldCo will additionally covenant in favour of the Issuer, the Trustee and the Security Agent to procure that OptionCo exercises the Option on the occurrence of a Trigger Event.

In consideration for OptionCo and Option HoldCo's obligations under the Option Exercise Deed, the Issuer will pay OptionCo an annual fee, payable quarterly in arrears in an amount equal to the ongoing expenses of OptionCo and Option HoldCo.

Each of OptionCo and Option HoldCo will additionally agree to pay the Security Agent an amount of liquidated damages equal to any Irish tax on chargeable gains inherent in the relevant Property acquired by the relevant PropCo which shall become payable by an Obligor in the event that OptionCo

fails to or Option HoldCo fails to procure that OptionCo exercise the relevant Option on the occurrence of a Trigger Event.

As security for its obligations under the Option Exercise Deed, OptionCo and the Option HoldCo will enter into the Option Security Agreement and the Option Mortgage of Shares respectively.

The Option Exercise Deed will be governed by Irish law.

15. Option GrantCo Mortgage of Shares

A mortgage of shares will be entered into between Option GrantCo and OptionCo on or around the Closing Date (the **Option GrantCo Mortgage of Shares**). Pursuant to the Option GrantCo Mortgage of Shares, Option GrantCo will grant a first fixed charge over Option GrantCo's shares in each PropHoldCo and a first floating charge over its other assets as security for Option GrantCo's obligations under the Option Agreement. Pursuant to the Option Security Agreement OptionCo will assign to the Security Agent its rights under the Option Agreement and the Option GrantCo Mortgage of Shares.

The Option GrantCo Mortgage of Shares will be governed by Irish law.

16. Option Mortgage of Shares

A mortgage of shares will be entered into between Option HoldCo, OptionCo, the Issuer, the Security Agent and the Trustee on or around the Closing Date (the **Option Mortgage of Shares**). Pursuant to the Option Mortgage of Shares, Option HoldCo will grant a first fixed charge over Option HoldCo's shares in OptionCo and a first floating charge over its other assets as security for Option HoldCo's obligations under the Option Exercise Deed.

The Option Mortgage of Shares will be governed by Irish law.

17. Option Security Agreement

OptionCo and the Security Agent will enter into a security agreement (the **Option Security Agreement**) on or around the Closing Date, creating security over, amongst other things, OptionCo's interests in the Option GrantCo Mortgage of Shares and the Option Agreement. The Option Security Agreement will provide security in respect of OptionCo's and Option HoldCo's obligations under the Option Exercise Deed.

The Option Security Agreement will be governed by Irish Law.

18. Option Corporate Services Agreement

OptionCo, Option HoldCo, the Options Corporate Services Provider and the Option Share Trustee will enter into a services agreement (the **Option Corporate Services Agreement**) on or around the Closing Date pursuant to which the Options Corporate Services Provider will agree to provide certain administrative services to OptionCo and Option HoldCo. The Option Corporate Services Provider is entitled to receive a fee for the provision of such services.

The Option Corporate Services Agreement is governed by Irish law.

19. Option Issuer Loan Agreement

OptionCo and the Issuer will enter into a loan agreement (the **Option Issuer Loan Agreement**) on or around the Closing Date. Pursuant to the Option Issuer Loan Agreement the Issuer will, on a limited recourse basis make a loan to OptionCo in an amount equal to the Option Price. The loan will not bear interest and will be repaid by OptionCo on receipt of the Final Payment. OptionCo's obligations in respect of the Option Issuer Loan will be limited to the value of the shares in the PropHoldCos or any money received by OptionCo pursuant to the Option Agreement.

The Option Issuer Loan Agreement will be governed by Irish law.

20. Borrower Accounts

(a) General

The Borrower will establish a number of bank accounts (as described below, the **Borrower Accounts**) into which Rental Income and other monies received in connection with the Properties are required to be paid. Following a Loan Event of Default which is outstanding, the Security Agent will be able to

assume sole signing rights and control over those Borrower Accounts in respect of which it does not already have sole signing rights.

Under the Senior Credit Agreement, all accounts established and maintained pursuant to the Senior Credit Agreement must be maintained with a bank meeting the rating requirements set out in the Senior Credit Agreement. As at the date of this Offering Circular, all of the Borrower Accounts (other than the Borrower Transaction Account which is held with HSBC Bank plc) are held with Allied Irish Bank Corporation p.l.c. (as Borrower Account Bank).

(b) General Account

The Borrower is required to ensure that any amounts received by an Obligor (other than amounts required under the Senior Credit Agreement to be transferred to the Rent Account, the Deposit Account, the Disposals Account, the Borrower Transaction Account or any CSA Account) are paid into a current account (the **General Account**) in the name of the Borrower.

Subject to any restrictions in the Subordination Deed and subject to no Loan Event of Default being outstanding, the Borrower is permitted to make withdrawals from the General Account provided that no amount in respect of Senior Cure Loans, Junior Cure Loans or deferred interest under the Senior Credit Agreement is outstanding. Whilst any Loan Event of Default is outstanding, the Security Agent will assume control of the General Account and will be permitted to apply amounts standing to the credit of the General Account in accordance with the Borrower Pre-Event of Default Priority of Payments.

(c) Rent Account

Each Obligor is required to ensure that all Rental Income (other than amounts in respect of insurance premia which may be paid directly to the relevant insurance broker) and all amounts payable to it under the Hedging Arrangements (other than the amounts to be paid into a CSA Account) are paid directly into a deposit account (the **Rent Account**) in the name of the Borrower or into a Collection Account or a trust account of the Managing Agent and swept weekly into the Rent Account. The payment of such amounts will be deemed to be a loan from the PropCos to the Borrower, repayable on the next following Interest Payment Date. Such loans will be documented pursuant to a funding agreement to be entered into on or prior to the Closing Date between the PropCos and the Borrower (the **Funding Agreement**). The Security Agent has sole signing rights in relation to the Rent Account and is irrevocably authorised by the Borrower on each Interest Payment Date (provided that, except in the case of withdrawals to be made fourthly to ManagementCo, no Loan Event of Default is then outstanding and on each Interest Payment Date, the representation and warranties deemed to be repeated are correct) to apply amounts standing to the credit of the Rent Account in the following priority of payments (the **Borrower Pre-Event of Default Priority of Payments**):

- (i) **first**, payment *pro rata* of any unpaid costs and expenses of the Senior Facility Agent, the Security Agent and the Loan Arranger;
- (ii) **secondly**, in or towards payment of any relevant Issuer Expenses Amount due but unpaid to the Issuer;
- (iii) **thirdly**, in or towards payment *pro rata* of the outstanding amount of any Senior Hedging Loan;
- (iv) **fourthly**, in or towards payment *pro rata* to ManagementCo of any Permitted Operating Costs and Permitted Corporate Services Costs;
- (v) **fifthly**, in or towards payment *pro rata* of any periodic payments (not being payments as a result of termination or closing out) due but unpaid to each Senior Hedge Counterparty under the Senior Hedging Arrangements;
- (vi) **sixthly**, payments *pro rata* (not being payments referred to in subparagraph (x) below) as a result of termination or closing out due but unpaid to each Senior Hedge Counterparty under the Senior Hedging Arrangements;
- (vii) **seventhly**, in or towards payment *pro rata* of the outstanding amount of any Senior Cure Loans (other than Senior Hedging Loans);
- (viii) **eighthly**, in or towards payment *pro rata* of any accrued interest and principal due but unpaid in respect of the Senior Loan such amounts to be applied in the following order:

- (A) first, accrued interest and thereafter principal due but unpaid in respect of the Tranche A Senior Loan;
 - (B) secondly, accrued interest and thereafter principal due but unpaid in respect of the Tranche B Senior Loan;
 - (C) thirdly, accrued interest and thereafter principal due but unpaid in respect of the Tranche C Senior Loan; and
 - (D) fourthly, accrued interest and thereafter principal due but unpaid in respect of the Tranche D Senior Loan;
- (ix) **ninthly**, in or towards payment of any relevant due but unpaid Issuer Margin due to the Issuer;
 - (x) **tenthly**, in or towards payment *pro rata* of any payments due as a result of termination or closing out arising from:
 - (A) it becoming illegal for the relevant Senior Hedge Counterparty to comply with its obligations under the relevant Senior Hedging Arrangements; or
 - (B) an event of default occurring with respect to a Senior Hedge Counterparty; or
 - (C) an occurrence of a Rating Event (as defined in the relevant Senior Hedging Arrangements) with respect to the relevant Senior Hedge Counterparty;
 - (xi) **eleventhly**, in or towards payment *pro rata* of any unpaid amounts due but unpaid under the Finance Documents (except for any payment of Excess Senior Debt (as defined in the Intercreditor Agreement) not consented to by the Junior Lenders);
 - (xii) **twelfthly**, in or towards payment *pro rata* of the outstanding amount under any Junior Cure Loan other than a Junior Cure Loan referred to in (xix) below;
 - (xiii) **thirteenthly**, in or towards payment *pro rata* of any fees, costs and expenses due to any administrative parties in respect of the Junior Finance Documents;
 - (xiv) **fourteenthly**, in or towards payment *pro rata* of any periodical payments (not being payments as a result of a termination or closing out) due but unpaid to any Junior Hedge Counterparty under the Junior Hedging Arrangements;
 - (xv) **fifteenthly**, in or towards payment *pro rata* of any payments (not being payments referred to in sub-paragraph (xvii) below) as a result of termination or closing out due but unpaid to any Junior Hedge Counterparty under the Junior Hedging Arrangements;
 - (xvi) **sixteenthly**, in or towards payment *pro rata*, of any accrued interest and thereafter principal due but unpaid in respect of the Junior Loan;
 - (xvii) **seventeenthly**, in or towards payment *pro rata* of any payments due as a result of termination or closing out arising from:
 - (A) it becoming illegal for the relevant Junior Hedge Counterparty to comply with its obligations under the relevant Junior Hedging Arrangements; or
 - (B) an event of default relating to a Junior Hedge Counterparty;
 - (xviii) **eighteenthly**, in or towards payment *pro rata* of any other sums due but unpaid under the Junior Finance Documents;
 - (xix) **nineteenthly**, where a Junior Cure Loan has been made or agreed to by some but not all of the Junior Lenders, in or towards payment *pro rata* of the outstanding amount of any such Junior Cure Loan;
 - (xx) **twentiethly**, in or towards payment *pro rata* of any Excess Senior Debt (as defined in the Intercreditor Agreement) to which the Junior Lenders did not consent to;
 - (xxi) **twenty-firstly**, in or towards payment *pro rata* to ManagementCo of any amounts due but unpaid under the Property Management Outsourcing Agreement and the Obligor Corporate Services Agreement (other than any amounts referred to in paragraph (iv) above);
 - (xxii) **twenty-secondly**, in or towards payment *pro rata* and *pari passu* of:
 - (A) **first**, accrued interest due but unpaid to the PropCos under the Funding Agreement; and

(B) **secondly**, the principal amounts due but unpaid to the PropCos under the Funding Agreement; and

(xxiii) **twenty-thirdly**, at the discretion of the Security Agent, payment of any surplus into the General Account.

Notwithstanding the above, the Security Agent may on a Borrower Transfer Date (as defined below) transfer certain amounts required to be paid to the Issuer on the next Interest Payment Date to the Borrower Transaction Account, after having provided for all amounts ranking in priority to, or *pari passu* with, amounts due to the Issuer.

In the section:

Permitted Corporate Services Costs means amounts payable to ManagementCo under the Obligor Corporate Services Agreement up to a specified maximum per Interest Period, as set out in the Senior Credit Agreement.

Permitted Operating Costs means amounts representing all tenant contributions and such other amounts payable to ManagementCo under the Property Management Outsourcing Agreement up to a maximum (excluding any amount representing tenant contributions which will not be subject to such maximum) per Interest Period of the amount representing the difference between €100,000 and the balance standing to the credit of the reserve held by ManagementCo.

(d) Deposit Account

The Security Agent has sole signing rights in relation to the **Deposit Account**, which is a deposit account maintained in the name of the Borrower. On the Closing Date €43,870,201 out of the proceeds of the Loan will be deposited in the Deposit Account. Such amounts will, provided that no Loan Event of Default is outstanding as at such date, be released to the General Account on the MHC Completion Date in accordance with the terms of the Senior Credit Agreement. If historical net rental income as a percentage of historical net rental income (the **Interest Cover**) falls below 110 per cent. the Borrower may deposit in the Deposit Account such amount as will ensure that Interest Cover is 110 per cent., or, if the Interest Cover is greater than 105 per cent., deposit in the Deposit Account an amount equal to 200 per cent. of the additional amount of net rental income required by the Borrower to ensure Interest Cover is 110 per cent. If, on a subsequent Interest Payment Date, the Interest Cover is equal to or greater than 110 per cent. and no Loan Event of Default under the Senior Credit Agreement is then outstanding, the Security Agent may, at its sole discretion, transfer amounts standing to the credit of the Deposit Account (together with any accrued interest) to the General Account provided that no amount is outstanding in respect of deferred interest under the Senior Credit Agreement and neither a Senior Cure Loan nor a Junior Cure Loan is outstanding. Amounts standing to the credit of the Deposit Account are not taken into account in calculating Interest Cover but interest which accrues from time to time on such amounts is taken into account.

The Security Agent will be permitted at any time when no Loan Event of Default is outstanding (other than any Loan Event of Default arising as a result of the making of a Cure Loan and the interest cover covenant has been satisfied on two consecutive Interest Payment Dates (without taking into account any amount deposited to the credit of the Deposit Account in order to secure an interest cover breach)) to apply amounts standing to the credit of the Deposit Account to meet any amounts due in respect of any Senior Cure Loans or Junior Cure Loans or deferred interest under the Senior Credit Agreement and thereafter any amounts will be transferred to the General Account or if no Loan Event of Default is outstanding and at the request of the Borrower in making a voluntary prepayment of the Senior Loan.

(e) Disposals Account

The Security Agent has sole signing rights in relation to the **Disposals Account** which is an account maintained in the name of the Borrower into which: (i) the proceeds of the disposal of a Property or Properties or shares in a PropCo made in accordance with the Senior Credit Agreement (less any reasonable costs of that disposal and the amount of any taxes payable as a result of the disposal); (ii) any net disposal proceeds derived from the disposal of all or part of a Property or as a result of a compulsory purchase; and (iii) any insurance proceeds required to be used for prepay the Senior Loan must be paid. If no Loan Event of Default is outstanding, the Security Agent may apply amounts standing to the credit of the Disposals Account in the manner more particularly described in "*Disposals and substitutions*" above.

For more detailed information on the disposal and substitution of a Property or Properties and prepayment of amounts, see "*Disposals and substitutions*" above.

(f) CSA Accounts

Monies received in respect of any credit support annex entered into in connection with the Senior Hedging Arrangements will be deposited into one or more collateral accounts (each, a **CSA Account**) in the name of the Borrower and dealt with in accordance with the Senior Credit Agreement and such Senior Hedging Arrangement. Upon termination of any Senior Hedging Arrangements, the Security Agent will pay to the relevant Senior Hedge Counterparty any amount representing excess collateral standing to the credit of a CSA Account in priority to any other Obligor Secured Creditor under the Security Agreement.

(g) Borrower Transaction Account

Notwithstanding the other provisions of the Senior Credit Agreement, the Security Agent may, on the day falling two Business Days prior to each Interest Payment Date and any other Business Day during an Interest Period required pursuant to the Senior Credit Agreement (each such date a **Borrower Transfer Date**), transfer an amount to an account held in the name of the Borrower with HSBC Bank plc acting through its branch at 8 Canada Square, London, E14 5HQ (the **Borrower Transaction Account**) equal to the lesser of:

- (i) the amount required by the Borrower to be paid to the Issuer in its capacity as Senior Lender on the immediately following Interest Payment Date in respect of items (iii) and (vii) to (ix) of the Borrower Pre-Event of Default Priority of Payments or items (iii), (iv) and (viii) to (x) of the Borrower Post-Event of Default Priority of Payments, in each case taking into account any amount transferred since the previous Borrower Transfer Date; and
- (ii) the amounts standing to the credit of the Rent Account,

in each case after having provided for any amounts to be applied on the immediately following Interest Payment Date in priority to, or *pari passu* with, any amounts due to the Issuer under the Borrower Priority of Payments. Amounts standing to the credit of the Borrower Transaction Account will be transferred to the Issuer on each Interest Payment Date.

The Security Agent will have sole signing rights in respect of the Borrower Transaction Account.

(h) Borrower Post-Event of Default Priority of Payments

If a Material Loan Event of Default has occurred and remains outstanding the Security Agent will prior to the enforcement of the Loan Security, promptly on receipt, if any of the Senior Debt is due and payable, apply all amounts received in respect of the Finance Documents and the Junior Finance Documents including, subject to the rights of any credit or with prior security or any preferential claim, the proceeds of any enforcement of the Loan Security in the following order (the **Borrower Post-Event of Default Priority of Payments**):

- (i) **first**, payment *pro rata* of any unpaid costs and expenses of the Senior Facility Agent, the Security Agent and the Loan Arranger;
- (ii) **secondly**, in or towards payment of any fees, costs and expenses of any Finance Party under the Finance Documents and (to the extent required to take action requested by the Security Agent) any Finance Party in respect of the Junior Finance Documents in each case in connection with any enforcement;
- (iii) **thirdly**, in or towards payment of any relevant Issuer Expenses Amount due but unpaid to the Issuer;
- (iv) **fourthly**, in or towards payment *pro rata* of the outstanding amount of any Senior Hedging Loan;
- (v) **fifthly**, in or towards payment *pro rata* to ManagementCo of any Permitted Operating Costs and Permitted Corporate Services Costs;
- (vi) **sixthly**, in or towards payment *pro rata* of any periodic payments (not being payments as a result of termination or closing out) due but unpaid to each Senior Hedge Counterparty under the Senior Hedging Arrangements;

- (vii) **seventhly**, payments *pro rata* (not being payments referred to in subparagraph (xi) below) as a result of termination or closing out due but unpaid to each Senior Hedge Counterparty under the Senior Hedging Arrangements;
- (viii) **eighthly**, in or towards payment *pro rata* of the outstanding amount of any Senior Cure Loans (other than Senior Hedging Loans);
- (ix) **ninthly**, in or towards payment *pro rata* of any accrued interest and principal due but unpaid in respect of the Senior Loan such amounts to be applied in the following order:
 - (A) **first**, accrued interest and thereafter principal due but unpaid in respect of the Tranche A Senior Loan;
 - (B) **secondly**, accrued interest and thereafter principal due but unpaid in respect of the Tranche B Senior Loan;
 - (C) **thirdly**, accrued interest and thereafter principal due but unpaid in respect of the Tranche C Senior Loan; and
 - (D) **fourthly**, accrued interest and thereafter principal due but unpaid in respect of the Tranche D Senior Loan;
- (x) **tenthly**, in or towards payment of any relevant due but unpaid Issuer Margin due to the Issuer;
- (xi) **eleventhly**, in or towards payment *pro rata* of any payments due as a result of termination or closing out arising from:
 - (A) it becoming illegal for the relevant Senior Hedge Counterparty to comply with its obligations under the relevant Senior Hedging Arrangements; or
 - (B) an event of default occurring with respect to a Senior Hedge Counterparty; or
 - (C) the occurrence of a Rating Event (as defined in the relevant Senior Hedging Arrangements) with respect to the relevant Senior Hedge Counterparty;
- (xii) **twelfthly**, in or towards payment *pro rata* of any unpaid amounts due but unpaid under the Finance Documents (except for any payment of Excess Senior Debt (as defined in the Senior Credit Agreement) not consented to by the Junior Lenders);
- (xiii) **thirteenthly**, in or towards payment *pro rata* of the outstanding amount under any Junior Cure Loan other than a Junior Cure Loan referred to in (xx) below;
- (xiv) **fourteenthly**, in or towards payment *pro rata* of any fees, costs and expenses due to any administrative parties in respect of the Junior Finance Documents;
- (xv) **fifteenthly**, in or towards payment *pro rata* of any periodical payments (not being payments as a result of a termination or closing out) due but unpaid to any Junior Hedge Counterparty under the Junior Hedging Arrangements;
- (xvi) **sixteenthly**, in or towards payment *pro rata* of any payments (not being payments referred to in sub-paragraph (xviii) below) as a result of termination or closing out due but unpaid to any Junior Hedging Counterparty under the Junior Hedging Arrangements;
- (xvii) **seventeenthly**, in or towards payment *pro rata*, of any accrued interest and thereafter principal due but unpaid in respect of the Junior Loan;
- (xviii) **eighteenthly**, in or towards payment *pro rata* of any payments due as a result of termination or closing out arising from:
 - (A) it becoming illegal for the relevant Junior Hedge Counterparty to comply with its obligations under the relevant Junior Hedging Arrangements; or
 - (B) an event of default relating to a Junior Hedge Counterparty; or
- (xix) **nineteenthly**, in or towards payment *pro rata* of any other sums due but unpaid under the Junior Finance Documents;
- (xx) **twentiethly**, where a Junior Cure Loan has been made or agreed to by some but not all of the Junior Lenders, in or towards payment *pro rata* of the outstanding amount of any such Junior Cure Loan;

- (xxi) **twenty-firstly**, in or towards payment *pro rata* of any Excess Senior Debt (as defined in the Intercreditor Agreement) to which the Junior Lenders did not consent;
- (xxii) **twenty-secondly**, in or towards payment *pro rata* to ManagementCo of any amounts due but unpaid under the Property Management Outsourcing Agreement and the Obligor Corporate Services Agreement (other than any amounts referred to in paragraph (v) above);
- (xxiii) **twenty-thirdly**, in or towards payment *pro rata* and *pari passu* of:
 - (A) **first**, accrued interest due but unpaid to the PropCos under the Funding Agreement; and
 - (B) **secondly**, the principal amounts due but unpaid to the PropCos under the Funding Agreement; and
- (xxiv) **twenty-fourthly**, at the discretion of the Security Agent, payment of any surplus into the General Account.

Notwithstanding the above, the Security Agent may on a Borrower Transfer Date, transfer certain amounts required to be paid to the Issuer on the next Interest Payment Date to the Borrower Transaction Account, after having provided for all amounts ranking in priority to, or *pari passu* with, amounts due to the Issuer.

ISSUER TRANSACTION DOCUMENTS AND CASHFLOWS

1. Liquidity Facility

To mitigate the risk that Available Issuer Income (as defined below) will be insufficient to cover an Income Deficiency (as defined below), the Issuer will enter into a liquidity facility agreement dated on or before the Closing Date with the Liquidity Bank and the Trustee (the **Liquidity Facility Agreement**). Under this agreement, the Liquidity Bank will provide a 364-day committed liquidity facility to the Issuer which will be renewable with the agreement of the Liquidity Bank until the Final Maturity Date. Investors should note that the purpose of the Liquidity Facility Agreement will be to provide liquidity, not credit support, and that the Liquidity Bank will be entitled to receive a commitment fee, interest and repayments of principal on drawings made under the Liquidity Facility Agreement in priority to payments to be made to Noteholders (which would ultimately reduce the amount available for distribution to Noteholders).

The Liquidity Facility Agreement will be governed by English Law.

(a) Income Deficiency Drawings

The Servicer is required to calculate Available Issuer Income on each Calculation Date in accordance with the terms of the Servicing Agreement.

Adjusted Available Issuer Income means Available Issuer Income together with any Income Deficiency Drawings.

Available Issuer Income will comprise:

- (i) all monies (other than principal) to be paid to the Issuer under or in respect of the Senior Loan less the amount of any expected shortfall as notified by the Servicer; and
- (ii) any interest accrued upon the Issuer Accounts and paid into the Issuer Revenue Account together with the yield element of the proceeds of any Eligible Investments made by or on behalf of the Issuer out of amounts standing to the credit of the Issuer Accounts and paid into the Issuer Revenue Account.

On each Calculation Date, the Servicer will determine whether Available Issuer Income will be sufficient to make the payments set out under paragraphs (i) to (xi) of the Pre-Enforcement Income Priority of Payments or paragraphs (i) to (x) of the Post-Enforcement Pre-Acceleration Income Priority of Payments (as applicable) on the next Interest Payment Date (including without limitation any Senior Hedging Loans).

If the Available Issuer Income is insufficient to make such payments (including any amounts in respect of Senior Hedging Loans), the Servicer will make a drawing (an **Income Deficiency Drawing**) under the Liquidity Facility Agreement in an amount equal to the deficiency (an **Income Deficiency**). The proceeds of any Income Deficiency Drawing will be credited to the Issuer Revenue Account and will be applied by the Issuer in making payments to Noteholders and the Other Issuer Secured Creditors on the immediately following Interest Payment Date.

The Liquidity Facility Agreement will initially permit drawings to be made by the Issuer of up to an aggregate amount of €35,000,000 (the **Liquidity Facility Commitment**). The Liquidity Facility Commitment will automatically reduce on the Interest Payment Date after:

- (i) a partial redemption of the Notes in accordance with Condition 6.3 in an amount proportionate to the reduction in the aggregate Principal Amount Outstanding of the Notes;
- (ii) the occurrence of an Appraisal Reduction Event (as defined below), in an amount proportionate to the Appraisal Reduction; or
- (iii) the receipt of confirmation from the Rating Agencies that the proposed reduction in the amount of the Liquidity Facility Commitment will not adversely affect the then current ratings of the Notes.

All payments due to the Liquidity Bank under the Liquidity Facility Agreement (other than in respect of the payment described in paragraph (xii) under "*Issuer Transaction Documents and Cashflows – Issuer Cashflows – Payments Paid out of the Issuer Revenue Account Pre-Enforcement of the Issuer Security*" and paragraph (xi) under the priority of payments described in "*Issuer Transaction Document and Cashflows – Issuer Cashflows – Payments Paid out of the Issuer Revenue Account Post-Enforcement of the Issuer Security but Pre-Acceleration of the Notes*" and paragraph (xv) under "*Issuer Transaction*

Documents and Cashflows – Issuer Cashflows – Payments Paid out of the Issuer Accounts Post-Acceleration of the Notes" below) will rank in priority to payments of interest and principal on the Notes.

Eligible Investments means: (a) euro-denominated government securities; or (b) euro demand or time deposits, certificates of deposit, money market funds and short-term debt obligations (including commercial paper); provided that in all cases such investments will mature at least one Business Day prior to the next Interest Payment Date, the short-term unsecured, unsubordinated and unguaranteed debt obligations rating of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being a bank or licensed EU credit institution) are rated at least "F1" by Fitch and at least "A-1+" by S&P or are otherwise acceptable to the Rating Agencies and, where such investments will mature in three months or more, the Rating Agencies have affirmed that the proposed investments would not adversely affect the then current ratings of the Notes.

(b) Appraisal Reductions

Not later than the earliest to occur of:

- (i) the date 120 days after the occurrence of any Loan Event of Default as a result of breach of the Interest Cover Test; and
- (ii) the date 90 days after the occurrence of a Loan Event of Default as a result of the occurrence of any prescribed insolvency event of an Obligor in respect of the Senior Credit Agreement,

and, in each case, provided that such Loan Event of Default is continuing, the Servicer is required, under the terms of the Servicing Agreement, to obtain a valuation in respect of the Portfolio (unless, at the Servicer's discretion, a valuation has been obtained during the immediately preceding 12 months and the Servicer has confirmed that, in its view, neither the Portfolio nor its relevant property markets have experienced any material change since the date of such previous valuation).

If the aggregate principal amount of the Senior Loan then outstanding (together with any unpaid interest) exceeds the sum of 90 per cent. of the appraisal value of the Portfolio as determined by the relevant valuation, an **Appraisal Reduction Event** will be deemed to have occurred and the amount of Liquidity Facility Commitment will reduce proportionately on the Interest Payment Date on or immediately following the Appraisal Reduction Event by reference to any diminution in value of that Property since the date of the relevant Valuation Report in accordance with the terms of the Servicing Agreement.

(c) Liquidity Stand-by Drawings

The Liquidity Facility Agreement will provide that if at any time:

- (i) the rating of the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Bank falls below the Requisite Rating; or
- (ii) the Liquidity Bank refuses to renew the liquidity facility,

then the Issuer will require the Liquidity Bank to pay an amount equal to its undrawn commitment under the Liquidity Facility Agreement (a **Liquidity Stand-by Drawing**) into the Liquidity Stand-by Account maintained with the Liquidity Bank or, if the Liquidity Bank ceases to have the Requisite Rating, any bank which has the Requisite Rating. Amounts standing to the credit of the Liquidity Stand-by Account will be available to the Issuer for the purposes of making deemed Income Deficiency Drawings as described above, and otherwise in the circumstances provided in the Liquidity Facility Agreement.

If the Liquidity Bank refuses to renew the Liquidity Facility, it shall at its own expense and if so requested by or on behalf of the Issuer, replace or transfer the facility to a new Liquidity Bank.

In this section **Requisite Rating** means an "F1+" rating (or better) by Fitch and an "A-1+" rating (or better) by S&P for its short-term unguaranteed, unsecured and unsubordinated debt obligations.

(d) Repayment of drawings

The Issuer will pay interest on Income Deficiency Drawings at a rate equal to three month EURIBOR plus a specified margin. However, Liquidity Stand-by Drawings will bear interest at a separate rate which will be calculated by reference to the liquidity facility commitment fee and interest earned on the Liquidity Stand-by Account. In addition, if the Issuer makes a deemed Income Deficiency Drawing by withdrawing funds from the Liquidity Stand-by Account, then this drawing will bear interest at three month EURIBOR plus a specified margin as with ordinary Income Deficiency Drawings.

All payments due to the Liquidity Bank under the Liquidity Facility Agreement (other than in respect of any Liquidity Subordinated Amounts) will rank in priority to payments of interest and principal on the Notes. The commitment fee may be increased from the initial level of 0.20 per cent. per annum up to a maximum of 0.325 per cent. per annum as a result of Basel II regulatory requirements. **Liquidity Subordinated Amounts** are any amounts in respect of (i) increases in the commitment fee as a result of Basel II regulatory requirements, to the extent that such amounts exceed 0.125 per cent per annum of the commitment provided under the Liquidity Facility Agreement and (ii) increased costs, mandatory costs (to the extent not already covered by increase referred to in (i) above as a result of Basel II regulatory requirements) and tax gross up amounts payable to the Liquidity Bank, to the extent that such amounts exceed 0.125 per cent per annum of the commitment provided under the Liquidity Facility Agreement.

2. Trust Deed

On or before the Closing Date, the Issuer and the Trustee will enter into a trust deed (the **Trust Deed**) pursuant to which the Notes will be constituted. The Trust Deed will include the form of the Notes and contain a covenant from the Issuer to the Trustee to pay all amounts due under the Notes. The Note Trustee will hold the benefit of that covenant (and certain other covenants of the Issuer) on trust for the Noteholders.

The Trust Deed will contain provisions requiring the Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders equally (except where expressly provided otherwise), but where there is, in the Trustee's opinion, a conflict between any such interests, the Trust Deed will require the Trustee to have regard to the interests of only the Class A Noteholders. If there are no Class A Notes outstanding and, in the Trustee's opinion, there is a conflict between the interests of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders, the Trust Deed will require the Trustee to have regard to the interests of the Class B Noteholders only. If there are no Class A Notes or Class B Notes outstanding and, in the Trustee's opinion, there is a conflict between the interests of the Class C Noteholders and the Class D Noteholders, the Trust Deed will require the Trustee to have regard to the interests of the Class C Noteholders only. Only the holders of the Most Senior Class of Notes outstanding may request or direct the Trustee to take any action under the Trust Deed.

The Trust Deed will contain provisions which, subject to the previous paragraph, limit the powers of: (a) the Class B Noteholders, the Class C Noteholders and the Class D Noteholders, among other things, to pass any Extraordinary Resolution which might adversely affect the interests of the Class A Noteholders; (b) the Class C Noteholders and the Class D Noteholders, among other things, to pass any Extraordinary Resolution which might adversely affect the interests of the Class A Noteholders and the Class B Noteholders; and (c) the Class D Noteholders, among other things, to pass any Extraordinary Resolution which might adversely affect the interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

The Trust Deed will be governed by English law.

3. Issuer Deed of Charge

(a) General

On or before the Closing Date, the Issuer will enter into a deed of charge (the **Issuer Deed of Charge**) with each of the Trustee, the Liquidity Bank, the Agent Bank, the Paying Agents, the Account Bank, the Issuer Corporate Services Provider, the Servicer, the Special Servicer and OptionCo and (together with the Noteholders, the Couponholders and any appointee of the Issuer Security Trustee or the Note Trustee, the **Issuer Secured Creditors**) pursuant to which the Issuer will grant security in respect of its obligations, including the Notes.

(b) Security

Under the Issuer Deed of Charge, the Issuer will grant the following security in respect of the Issuer's Obligations to the Issuer Secured Creditors (the **Issuer Secured Obligations**) in favour of the Trustee who holds or will hold such security on trust for the benefit of itself and the Other Issuer Secured Creditors:

- (i) an assignment by way of first fixed security of its right, title, interest and benefit, present and future, in, to and under:

- (A) the Servicing Agreement;
 - (B) the Subscription Agreement;
 - (C) the Liquidity Facility Agreement;
 - (D) the Option Exercise Deed;
 - (E) the Option Issuer Loan Agreement;
 - (F) the Option Security Agreement;
 - (G) the Option Mortgage of Shares;
 - (H) the Trust Deed;
 - (I) the Agency Agreement;
 - (J) the Issuer Corporate Services Agreement;
 - (K) the Issuer Account Bank Agreement; and
 - (L) the CMH Mortgage of Shares.
- (ii) an assignment by way of first fixed security over all of its right, title, interest and benefit, present and future, under each Finance Document and the Security Documents;
 - (iii) a charge by way of first fixed security over all of its right, title, interest and benefit, present and future, in and to the amounts from time to time standing to the credit of each Issuer Account;
 - (iv) an assignment by way of first fixed security over all of its right, title, interest and benefit, present and future, in and to all Eligible Investments (permitted to be made by or on behalf of the Issuer); and
 - (v) a first floating charge over all of the property, assets and undertaking of the Issuer not already subject to fixed security (other than the Excepted Assets),

(together, the **Issuer Security**), all as more particularly set out in the Issuer Deed of Charge.

The Trustee shall not, and shall not be bound to, take proceedings against the Issuer or any other person to enforce the provisions of the Issuer Deed of Charge or any of the other Transaction Documents or any other action thereunder unless:

- (A) it shall have been directed or requested to do so by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes then outstanding; and
- (B) it shall have been indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection therewith.

The Notes will be limited recourse obligations of the Issuer. On enforcement of the Issuer Security, recourse in respect of the Issuer's obligations (including the obligation to pay principal and interest on the Notes) will be limited to the proceeds of realisation of the Issuer Security and to the extent the proceeds of enforcement are insufficient to satisfy the obligations of the Issuer in respect of the Issuer Secured Obligations (including amounts due in respect of the Notes) such obligations shall be extinguished.

(c) Non-petition

Each of the Issuer Secured Creditors which is a party to the Issuer Deed of Charge (other than the Trustee) will agree in the Issuer Deed of Charge that, unless the Issuer Security has become enforceable and the Trustee, having become bound to serve an Acceleration Notice, fails to do so within a reasonable period and such failure is continuing, it will not take any steps for the purpose of recovering any debts due or owing to it by the Issuer or to petition or procure the petitioning for the winding-up or examinership of the Issuer or to file documents with the court or serve a notice of intention to appoint an examiner in relation to the Issuer.

(d) Enforcement

The Issuer Security will become enforceable on the occurrence of a Note Event of Default pursuant to Condition 10. If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Trustee will not be entitled to dispose of the assets comprising the Issuer Security or any part thereof unless: (i) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Noteholders and any amounts required under the Issuer Deed of Charge to be paid *pari passu* with, or in priority to, the Notes; or (ii) the Trustee is of the opinion, which will be binding on the Noteholders and the Other Issuer Secured Creditors, reached after considering at any time and from time to time the advice, upon which the Trustee will be entitled to rely, of such professional advisers as are selected by the Trustee, that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Noteholders and any amounts required under the Issuer Deed of Charge to be paid *pari passu* with, or in priority to, the Notes; or (iii) the Trustee determines that not to effect such disposal would place the Issuer Security in jeopardy, and, in any event, the Trustee has been secured and/or indemnified to its satisfaction.

The Issuer Deed of Charge will be governed by Irish law save in respect of security granted over the Issuer Accounts, which will be governed by and construed in accordance with English Law.

4. Issuer Account Bank Agreement

The Issuer, the Servicer, the Account Bank and the Trustee will each enter into an agreement (the **Issuer Account Bank Agreement**) on or before the Closing Date pursuant to which the Issuer will establish the following bank accounts:

- (a) an account (the **Issuer Revenue Account**) into which all amounts of interest and other amounts (other than principal or premium) received in connection with the Senior Loan or the Obligor Security are required to be paid;
- (b) an account ((the **Issuer Principal Account**) and, together with the Issuer Revenue Account, any other accounts maintained by the Issuer in accordance with the terms of the Transaction Documents from time to time, the **Issuer Accounts**)) into which all amounts of principal received in connection with the Senior Loan or the Obligor Security are required to be paid; and
- (c) an account (the **Issuer Share Capital Proceeds Account**) into which the subscription monies in respect of the shares in the Issuer are required to be paid.

The Servicer will be responsible, pursuant to the terms of the Servicing Agreement, for ensuring that the amounts received in connection with the Senior Loan or the Obligor Security are paid into the relevant Issuer Accounts. Payments out of the Issuer Accounts will be made in accordance with the provisions of the Issuer Deed of Charge as described under "*Issuer Transaction Documents and Cashflows – Issuer Cashflows*" below.

If the Account Bank ceases to be an Eligible Bank, the Issuer will be required to arrange for the transfer (within 30 days) of the Issuer Accounts to an Eligible Bank on terms acceptable to the Trustee.

If, other than in the circumstances specified above, the Servicer wishes the bank or branch at which any account of the Issuer is maintained to be changed, the Servicer will be required to obtain the prior written consent of the Issuer and the Trustee, in the case of the Issuer such consent not to be unreasonably withheld, and the transfer of such account will be subject to the same directions and arrangements as are provided for above.

The Issuer Account Bank Agreement will be governed by English law.

5. Agency Agreement

Pursuant to an agency agreement to be entered into on or prior to the Closing Date (the **Agency Agreement**) between the Issuer, the Trustee, the Principal Paying Agent, the Irish Paying Agent and the Agent Bank, provision will be made for, *inter alia*, payment of principal, premium (if any) and interest in respect of the Notes of each Class.

The Agency Agreement will be governed by English law.

6. Issuer Corporate Services Agreement

The Issuer, the Issuer Corporate Services Provider, the Issuer Share Trustee and the Trustee will each enter into a services agreement (the **Issuer Corporate Services Agreement**) on or before the Closing Date pursuant to which the Issuer Corporate Services Provider will agree to provide certain administrative services to the Issuer. The Issuer Corporate Services Provider will be entitled to receive a fee for the provision of such services.

The Issuer Corporate Services Agreement will be governed by Irish law.

7. Issuer Cashflows

(a) *Payments Paid out of the Issuer Revenue Account – Priority Amounts*

The Servicer will, prior to the enforcement of the Issuer Security, out of funds standing to the credit of the Issuer Accounts, pay sums due to third parties (other than the Servicer, the Liquidity Bank, the Special Servicer, OptionCo, Option HoldCo, the Issuer Corporate Services Provider, the Trustee, the Paying Agents, the Agent Bank or the Account Bank), including any stock exchange fees where the Notes are listed and the Issuer's liability, if any, to taxation (together, the **Priority Amounts**), on a date other than an Interest Payment Date under obligations incurred, without breach of obligations under the Transaction Documents, in the course of the Issuer's business.

(b) *Payments Paid out of the Issuer Revenue Account Pre-Enforcement of the Issuer Security*

Prior to the enforcement of the Issuer Security, on each Interest Payment Date, Available Issuer Income standing to the credit of the Issuer Revenue Account and Income Deficiency Drawings (if any) in respect of the Liquidity Facility Agreement will be applied in the following order of priority (the **Pre-Enforcement Income Priority of Payments**) (in each case only if and to the extent that the payments and provisions of a higher priority have been made in full), all as more fully set out in the Servicing Agreement:

- (i) **first**, in or towards satisfaction of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts payable by the Issuer to, *pari passu* and *pro rata*, the Trustee and any other person appointed by it under the Trust Deed, the Issuer Deed of Charge and/or any Transaction Document to which the Trustee is party;
- (ii) **secondly**, in or towards satisfaction of any amounts due and payable by the Issuer on such Interest Payment Date to, *pari passu* and *pro rata*, the Paying Agents and the Agent Bank under the Agency Agreement;
- (iii) **thirdly**, in or towards satisfaction of any amounts due and payable by the Issuer on such Interest Payment Date to, *pari passu* and *pro rata*, the Servicer in respect of the Servicing Fee and any other amounts due to the Servicer pursuant to the Servicing Agreement (including any substitute servicer appointed in accordance with the Servicing Agreement) and the Special Servicer in respect of the Special Servicing Fee and any other amounts due to the Special Servicer pursuant to the Servicing Agreement (including any substitute special servicer appointed in accordance with the Servicing Agreement) (other than any amounts described in paragraph (xiii) below);
- (iv) **fourthly**, in or towards satisfaction, *pari passu* and *pro rata* according to amounts then due, of any amounts due and payable by the Issuer on such Interest Payment Date to:
 - (A) the Issuer Corporate Services Provider under the Issuer Corporate Services Agreement and (to the extent not covered by the fees payable to the Issuer Corporate Services Provider), the Issuer's directors, advisers and accountants;
 - (B) the Account Bank under the Issuer Account Bank Agreement;
 - (C) OptionCo and Option HoldCo under the Option Exercise Deed; and
 - (D) any Rating Agency Monitoring Fees;
- (v) **fifthly**, in or towards payment *pro rata*, of any amounts that the Issuer has agreed to pay to the Borrower in respect of any Senior Hedging Loans on such Interest Payment Date;
- (vi) **sixthly**, in or towards satisfaction of any amounts due and payable by the Issuer on such Interest Payment Date to the Liquidity Bank under and in accordance with the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts);

- (vii) **seventhly**, in or towards payment or discharge of sums due to third parties (other than Priority Amounts) under obligations incurred in the course of the Issuer's business;
- (viii) **eighthly**, in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class A Notes;
- (ix) **ninthly**, in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class B Notes;
- (x) **tenthly**, in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class C Notes;
- (xi) **eleventhly**, in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class D Notes;
- (xii) **twelfthly**, in or towards payments of any Liquidity Subordinated Amounts payable to the Liquidity Bank;
- (xiii) **thirteenthly**, in or towards payment of any amounts payable by the Issuer on such Interest Payment Date to the Special Servicer in respect of the Liquidation Fee or the Workout Fee; and
- (xiv) **fourteenthly**, any surplus to the Issuer.

(c) Pre-Acceleration Principal Priority of Payments

Prior to the service of an Acceleration Notice, the Servicer will, on each Interest Payment Date, apply any receipts of principal from the Issuer Principal Account in accordance with Condition 6.2 or 6.3 of the Terms and Conditions of the Notes.

(d) Payments paid out of the Issuer Revenue Account Post-Enforcement of the Issuer Security but Pre-Acceleration of the Notes

The Issuer Security will become enforceable upon a Note Event of Default. Following enforcement of the Issuer Security, the Trustee or its appointee will be required to apply all funds received or recovered by it in accordance with the Pre-Enforcement Income Priority of Payments save that paragraph (i) of the Pre-Enforcement Income Priority of Payments will be amended to provide for the payment of fees to the Trustee and any receiver or other person appointed by it under the Trust Deed, the Issuer Deed of Charge and/or any Transaction Document to which the Trustee is a party, paragraphs (iv)(D) and (vii) will be deleted (and the remaining paragraphs will be renumbered accordingly) and any surplus payable to the Issuer under paragraph (xiv) will be retained by the Trustee, or any receiver or appointee (as applicable) (the **Post-Enforcement Pre-Acceleration Income Priority of Payments**).

(e) Payments paid out of the Issuer Accounts Post-Acceleration of the Notes

Following acceleration of the Notes, the Trustee will be required to apply all funds received or recovered by it in accordance with the following order of priority (the **Post-Acceleration Priority of Payments**) (in each case, only if and to the extent that the payments and provisions of a higher priority have been made in full), all as more fully set out in the Issuer Deed of Charge:

- (i) **first**, in or towards satisfaction of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts payable by the Issuer to, *pari passu* and *pro rata*, the Trustee and any receiver or other person appointed by it under the Trust Deed, the Issuer Deed of Charge and/or any Transaction Document to which the Trustee is a party;
- (ii) **secondly**, in or towards satisfaction of any amounts due and payable by the Issuer to, *pari passu* and *pro rata*, the Paying Agents and the Agent Bank in respect of amounts properly paid by such persons to the Noteholders and not paid by the Issuer under the Agency Agreement together with any other amounts due to the Paying Agents or the Agent Bank pursuant to the Agency Agreement;
- (iii) **thirdly**, in or towards satisfaction of any amounts due and payable by the Issuer to, *pari passu* and *pro rata*, the Servicer in respect of the Servicing Fee and any other amounts due to the Servicer pursuant to the Servicing Agreement (including any substitute servicer appointed in accordance therewith) and the Special Servicer in respect of the Special Servicing Fee and any other amounts due to the Special Servicer pursuant to the Servicing Agreement (including any substitute special servicer appointed in accordance therewith) (other than any amounts described in paragraph (xvi) below);

- (iv) **fourthly**, in or towards satisfaction, *pari passu* and *pro rata* according to the amounts then due, of any amounts due and payable by the Issuer to:
 - (A) the Issuer Corporate Services Provider under the Issuer Corporate Services Agreement and (to the extent not covered by the fees payable to the Issuer Corporate Services Provider), the Issuer's directors, advisers and accountants;
 - (B) the Account Bank under the Issuer Account Bank Agreement; and
 - (C) OptionCo and Option HoldCo under the Option Exercise Deed;
- (v) **fifthly**, in or towards payment *pro rata*, of any amounts that the Issuer has agreed to pay to the Borrower in respect of any Senior Hedging Loans on such Interest Payment Date;
- (vi) **sixthly**, in or towards satisfaction of any amounts due and payable by the Issuer to the Liquidity Bank under and in accordance with the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts);
- (vii) **seventhly**, in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class A Notes;
- (viii) **eighthly**, in or towards payment of all amounts of principal due or overdue on the Class A Notes and all other amounts (excluding interest) due in respect of the Class A Notes;
- (ix) **ninthly**, in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class B Notes;
- (x) **tenthly**, in or towards payment of all amounts of principal due or overdue on the Class B Notes and all other amounts (excluding interest) due in respect of the Class B Notes;
- (xi) **eleventhly**, in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class C Notes;
- (xii) **twelfthly**, in or towards payment of all amounts of principal due or overdue on the Class C Notes and all other amounts (excluding interest) due in respect of the Class C Notes;
- (xiii) **thirteenthly**, in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class D Notes;
- (xiv) **fourteenthly**, in or towards payment of all amounts of principal due or overdue on the Class D Notes and all other amounts (excluding interest) due in respect of the Class D Notes;
- (xv) **fifteenthly**, in or towards payment of any Liquidity Subordinated Amounts;
- (xvi) **sixteenthly**, in or towards payment of any amounts payable by the Issuer to the Special Servicer in respect of the Liquidation Fee or the Workout Fee; and
- (xvii) **seventeenthly**, any surplus to the Issuer.

Upon enforcement of the Issuer Security, the Trustee will have recourse only to the rights of the Issuer in respect of the Issuer's interest in the Loans and the Loan Security and all other assets constituting the Issuer Security. Other than in relation to the Loan Security, the Servicing Agreement in its capacity as Servicer and Special Servicer and the Subscription Agreement for breach of the obligations of Eurohypo set out therein, none of the Issuer, the Trustee or any other person will have any recourse to Eurohypo.

SERVICING

1. The Servicer

The Issuer and the Trustee will appoint Eurohypo under the terms of a servicing agreement to be dated on or before the Closing Date (the **Servicing Agreement**) as the initial servicer of the Senior Loan and to have responsibility for, among other things, the investment and application of monies in accordance with the relevant priority of payments under the Issuer Deed of Charge. The Servicer will perform the day-to-day servicing of the Senior Loan and will continue to service other commercial mortgage loans in addition to the Senior Loan.

The Issuer and the Trustee will appoint the Servicer to be its agent to provide certain cash management services in relation to the Issuer Accounts as more particularly described below.

2. Servicing of the Senior Loan

Servicing procedures will include monitoring compliance with and administering the options available to the Issuer as Senior Lender under the terms and conditions of the Senior Credit Agreement. The Servicer and (where applicable) the Special Servicer will agree to service the Senior Loan in the best interests of and for the benefit of all of the Noteholders (as determined by the Servicer or the Special Servicer, as the case may be, in its good faith and reasonable judgment) and in accordance with applicable law and regulatory requirements and shall take all measures it deems necessary or appropriate in its due professional discretion to administer and collect the Senior Loan: (a) provided that the Servicer or the Special Servicer, as the case may be, is Eurohypo, in accordance with Eurohypo's usual administrative policies and procedures from time to time and in the same manner as Eurohypo services commercial mortgage loans which remain on the books of and beneficially owned by Eurohypo; and in so doing shall exercise the standard of care of a reasonably prudent commercial mortgage lender; or (b) to the extent that the Servicer or the Special Servicer, as the case may be, is not Eurohypo, in accordance with the standard of care as is normal and usual in general commercial mortgage servicing activities with respect to comparable mortgage loans for other third-party lenders or for its own account, whichever is higher, and, in either case, in particular, and, on the occurrence of a Loan Event of Default in respect of the Senior Loan, the administration of enforcement procedures with a view to the maximisation of recoveries available to the Noteholders (taking into account the likelihood of recovery of amounts due from the relevant Obligor, the timing of any such recovery and the costs of recovery) as determined by the Servicer or Special Servicer, as the case may be, in its reasonable judgment (the **Servicing Standard**).

Each of the Servicer and the Special Servicer may become the owner or otherwise hold an interest in the Notes or the Junior Loan with the same rights as each would have if it were not the Servicer or Special Servicer, as the case may be. Any such interest of the Servicer or the Special Servicer in the Notes or the Junior Loan will not be taken into account by any person when evaluating whether actions of the Servicer or the Special Servicer were consistent with the Servicing Standard.

3. Consultation with, and appointment of, the Special Servicer

The Servicer will give notice to the Special Servicer and the Trustee and will consult with the Special Servicer in relation to the future servicing or exercise of rights in respect of the Senior Loan and/or its Loan Security promptly upon the occurrence of any of the following events:

- (a) a default arising as a result of the breach of the Interest Cover Test; or
- (b) any scheduled payment which would otherwise be due and payable in respect of the Senior Loan, but for any deferral of any amounts due pursuant to the terms of the Senior Credit Agreement, being delinquent for up to 45 days past the relevant due date; or
- (c) an Obligor being in breach of any covenant under the Senior Credit Agreement.

The Servicer or the Special Servicer, as applicable, will promptly give notice to the Borrower, the Trustee, the Rating Agencies and the Special Servicer (where applicable) of the occurrence of any Special Servicing Event in respect of the Senior Loan. Upon the delivery of such notice, the Special Servicer will automatically assume all of its duties, obligations and powers under the Servicing Agreement and the Senior Loan will become **specially serviced**. A Loan is only deemed to be specially serviced if a Special Servicing Event has occurred in respect of that Loan.

Special Servicing Event means each of the following events:

- (a) a payment default occurring with regards to any payment due on the maturity of the Senior Loan (taking into account any extensions to its maturity permitted under the Servicing Agreement);
- (b) breach of the Interest Cover Test for a period of more than 45 days;
- (c) the Issuer, the Trustee, the Servicer or the Special Servicer receiving notice of the enforcement of any Loan Security;
- (d) insolvency or bankruptcy proceedings being commenced in respect of an Obligor;
- (e) in the Servicer's opinion a breach of a material covenant (a covenant being material for the purposes of this paragraph (e) if a breach of it materially impairs or could materially impair the use or the marketability of a Property or the value thereof as security for the Senior Loan) under the Senior Credit Agreement occurring or, to the knowledge of the Servicer, being likely to occur, and in the Servicer's opinion such breach is not likely to be cured within 30 days of its occurrence;
- (f) an Obligor notifying the Senior Facility Agent, the Security Agent, the Issuer or the Trustee in writing of its inability to pay its debts generally as they become due, its entering into an assignment for the benefit of its creditors or its voluntary suspension of payment of its obligations;
- (g) any other Loan Event of Default under the Senior Loan occurring that, in the good faith and reasonable judgment of the Servicer, materially impairs or could materially impair the use or the marketability of a Property or the value thereof as security for its Loan; or
- (h) any payment is deferred under the Senior Credit Agreement.

On the appointment of the Special Servicer in respect of the Senior Loan, the Servicer shall cease to be subject to the obligations as Servicer in respect of the Senior Loan under the Servicing Agreement except where otherwise provided.

4. Arrears and default procedures

The Servicer will collect, or the Servicer or the Special Servicer, as applicable, will instruct the Security Agent to collect, all payments due under or in connection with the Senior Loan.

The Servicer will initially be responsible for the supervision and monitoring of payments falling due in respect of the Senior Loan. The Servicer and, as applicable, the Special Servicer will be required to use all reasonable endeavours to recover amounts due from the Obligors should any of them default. Each of the Servicer and the Special Servicer will agree, in relation to any default under or in connection with the Senior Loan and the Loan Security, to comply with the procedures for enforcement of the Senior Loan and the Loan Security of the Servicer or the Special Servicer, as the case may be, current from time to time. In the case of a Loan Event of Default in respect of the Senior Credit Agreement which has not been waived, the Servicer or the Special Servicer, as applicable, will consider based on (amongst other things) the nature of the default, the status of the Obligor and the nature and value of the Portfolio, what internal reviews and reporting requirements are needed in respect of the Senior Loan, and which enforcement procedures are appropriate. Such procedures for enforcement include the giving of instructions to the Security Agent as to how to enforce the security held by it.

5. Amendments to the terms and conditions of the Finance Documents

The Servicer or the Special Servicer, as applicable, on behalf of the Issuer and the Trustee may (but will not be obliged to) in accordance with the Servicing Standard agree to any request by the Senior Facility Agent, the Security Agent or the Borrower, as applicable, to vary or amend the terms and conditions of the Finance Documents provided that:

- (a) the variation or amendment consists of one or more of the following:
 - (i) any release of the Borrower or any other Obligor, provided that there is always at least one person as Borrower and in respect of any Obligor, such Obligor is only released in accordance with the terms of the Senior Credit Agreement;
 - (ii) the release of the Loan Security in respect of the Senior Loan or any part thereof which may, at the option of the Servicer or the Special Servicer, as applicable, be on the basis that alternative security is provided by an Obligor which is acceptable to the Servicer or the Special Servicer acting in accordance with the Servicing Standard or the proceeds of; or

- (iii) any other variation or amendment which would be acceptable to a reasonably prudent commercial mortgage lender acting in accordance with the Servicing Standard;
- (b) no Acceleration Notice has been given by the Trustee which remains in effect at the date on which the relevant variation or amendment is agreed;
- (c) (subject to any Senior Cure Loan) the Issuer will not be required to make a further advance including, without limitation, any deferral of interest because of the relevant variation or amendment;
- (d) the effect of such variation or amendment would not be to extend the final maturity date of the Senior Loan beyond the Interest Payment Date falling in January 2013 unless the Servicer or the Special Servicer, as applicable, shall have first received written confirmation from each of the Rating Agencies that the then current ratings of the Notes will not be adversely affected by such extension;
- (e) the Loan Security in respect of the Senior Loan will continue to include a first ranking legal and beneficial mortgage, where relevant on the interests in the Portfolio (subject to any disposal of a Property in accordance with the Senior Credit Agreement);
- (f) notice of any such amendment or variation is given to the Rating Agencies and prior written confirmation shall have been received by the Servicer or the Special Servicer, as applicable, from each of the Rating Agencies that any variation or amendment to any of the terms and conditions of the Finance Documents that is likely, in the reasonable determination of the Servicer or the Special Servicer, as the case may be, to have a material adverse effect on the Noteholders (it being agreed that a reduction in the interest rate or principal balance of a Loan or any waiver or postponement of the same is likely to have such effect) will not result in the then current ratings of any of the Notes being adversely affected; and
- (g) if Eurohypo is not the Special Servicer, notice of any such amendment or variation is given to the Special Servicer.

With the prior written consent of the Trustee (acting in accordance with the Trust Deed and having regard to the interests of the Noteholders), the Servicer or the Special Servicer, as applicable, may (but will not be obliged to) agree to any request by the Senior Facility Agent, the Security Agent or the Borrower to vary or amend the terms and conditions of its Finance Documents where any of the above conditions (other than the conditions specified in paragraphs (d), (f) and (g) above) are not satisfied in respect of the relevant variation or amendment.

6. Ability to purchase the Loan and its Loan Security

The Issuer and the Trustee will, pursuant to the Servicing Agreement, grant the option on any Interest Payment Date: (a) to the Servicer to purchase the Senior Loan (as long as it is not specially serviced); and (b) to the Special Servicer to purchase the Senior Loan (so long as it is specially serviced) and also, in each case, the relevant Loan Security; provided that on the Interest Payment Date on which the Servicer or the Special Servicer, as the case may be, intends to purchase the Senior Loan and its Loan Security the then principal balance of the Senior Loan would be less than 10 per cent. of its principal balance as at the Closing Date, and provided further that the purchase price to be paid will be sufficient to pay its *pro rata* amount due in respect of the Notes after payment has been made to all creditors who rank in priority to Noteholders.

The Servicer or the Special Servicer, as the case may be, must give the Borrower, the Security Agent, the Trustee and (in the case of notice given by the Special Servicer only) the Servicer not more than 65 nor less than 35 days' written notice of its intention to purchase the Senior Loan and its Loan Security. No such notice of the Special Servicer's intention to purchase the Senior Loan shall be valid if the Servicer gives the Borrower, the Security Agent and the Trustee written notice of its intention to purchase a Loan within 10 days from the date on which the Special Servicer's notice was delivered.

7. Calculation of amounts and payments

On each **Calculation Date** (being the second Business Day prior to the relevant Interest Payment Date), the Servicer will be required to determine the various amounts required to pay interest and principal (if any) due on the Notes on the forthcoming Interest Payment Date and all other amounts then payable by the Borrower, and the amounts expected to be available to make such payments. In addition, the Servicer will calculate the Principal Amount Outstanding for each class of Notes for the

Interest Period commencing on such forthcoming Interest Payment Date, request the making of any Income Deficiency Drawings (including Income Deficiency Drawings to fund Senior Hedging Loans (if appropriate)) on behalf of the Issuer and notify the Borrower of the amount of the Issuer Margin and any Additional Expenses (if any) due and payable by it.

On each Interest Payment Date, the Servicer will determine and pay on behalf of the Issuer out of Adjusted Available Issuer Income all amounts due in accordance with the Pre-Enforcement Income Priority of Payments determined by the Servicer to be available for such purposes as described above, each of the payments required to be paid pursuant to and in the priority set forth in the Servicing Agreement. In addition, the Servicer will, from time to time, pay on behalf of the Issuer all Priority Amounts required to be paid by the Issuer, as determined by the Servicer.

Subject to receipt of funds from the Borrower, the Servicer will make all payments required to carry out a redemption of Notes pursuant to Condition 6.2(b) or Condition 6.3, in each case according to the provisions of the relevant Condition. See further "*Terms and Conditions of the Notes*" from the Issuer Principal Amounts.

If the Servicer, acting on the basis of information provided to it determines, on any Calculation Date, that the amount of Available Issuer Income, less any Priority Amounts paid since the immediately preceding Interest Payment Date or due to be paid by the Borrower prior to the next Interest Payment Date, will be insufficient to make payments set out under paragraphs (i) to (xi) of the Pre-Enforcement Income Priority of Payments or paragraphs (i) to (x) of the Post-Enforcement Pre-Acceleration Income Priority of Payment (as applicable), the Servicer will make an Income Deficiency Drawing under the Liquidity Facility See "*Issuer Transaction Documents and Cashflows – Liquidity Facility*" above. Any notice of drawdown in respect of the Liquidity Facility must be delivered at least one Business Day prior to the Interest Payment Date on which the drawing is required.

8. Servicer quarterly report

Pursuant to the Servicing Agreement, the Servicer will agree to deliver to the Issuer, the Trustee, the Special Servicer and the Rating Agencies a report in respect of each Calculation Date in which it will notify the recipients of, among other things, all amounts received in the Issuer Accounts and payments made with respect thereto. The report will contain the monthly arrears report and will also include qualitative and quantitative information on the Senior Loan, including details of any material changes that may affect credit quality and the details of any delegation of any of the Servicer's and/or Special Servicer's obligations or duties.

9. Insurance

The Servicer will procure that the Security Agent monitors the arrangements for insurance which relate to the Senior Loan and Loan Security and establishes and maintains procedures to ensure that all buildings insurance policies in respect of the Properties are renewed on a timely basis. To the extent that the Issuer and/or the Trustee has power to do so under a policy of buildings insurance, the Servicer will, as soon as practicable after becoming aware of any occurrence of any event giving rise to a claim under such policy, procure that the Security Agent prepares and submits such claim on behalf of the Issuer and/or the Trustee in accordance with the terms and conditions of such policy and complies with any requirements of the relevant insurer.

The Servicer will use reasonable endeavours to procure that the Borrower and each Obligor complies with the obligations in respect of insurance in accordance with the terms of the Senior Credit Agreement. If the Servicer becomes aware that an Obligor has failed to pay premiums due under any policy of buildings insurance, the Servicer will instruct the Security Agent to take such action as the Issuer and/or the Trustee shall reasonably direct and in the absence of such direction will, on behalf of the Issuer or the Trustee, instruct the Security Agent to pay premiums due and payable under any policy of buildings insurance in order that the cover provided by such policy does not lapse.

Upon receipt of notice that any policy of buildings insurance has lapsed or that a Property is otherwise not insured against fire and other perils (including subsidence other than as set out in the Senior Credit Agreement) under a comprehensive buildings insurance policy or similar policy in accordance with the terms of the Senior Credit Agreement, the Servicer will instruct the Security Agent, at the cost of the Issuer, to arrange such insurance in accordance with the terms of the Senior Credit Agreement. Under the terms of the Senior Credit Agreement, the Borrower will be required to reimburse the Issuer, as applicable, for such costs of insurance. See also "*Risk Factors – Insurance*".

10. Fees

The Servicer will be entitled to receive a fee for servicing the Senior Loan. On each Interest Payment Date the Issuer will pay to the Servicer a servicing fee (the **Servicing Fee**) (inclusive of VAT arising and payable to the Servicer, if any) in such amount as may be agreed between the Issuer and the Servicer but only to the extent that the Issuer has sufficient funds to pay such amount as provided in "*Issuer Transaction Documents and Cashflows – Issuer Cashflows*". The unpaid balance (if any) will be carried forward until the next succeeding Interest Payment Date and, if not paid before such time, will be payable on the final Interest Payment Date of the latest maturing class of Notes or on the earlier redemption in full of the Notes by the Borrower. The Servicing Agreement will also provide for the Servicer to be reimbursed for all reasonable out-of-pocket expenses and charges properly incurred by the Servicer in the performance of its services under the Servicing Agreement.

Pursuant to the Servicing Agreement, if a Loan is designated to be specially serviced, the Issuer will be required to pay to the Special Servicer a fee (the **Special Servicing Fee**) (exclusive of value added tax arising, if any) equal to 0.25 per cent. per annum of the principal balance of the Senior Loan then outstanding but only to the extent that the Issuer has sufficient funds to pay such amount as provided in "*Issuer Transaction Documents and Cashflows – Issuer Cashflows*" for a period commencing on the date the Senior Loan is designated to be specially serviced and ending on the date the Properties are sold on enforcement or the date on which the Senior Loan is designated to be corrected.

The Senior Loan will be designated to be **corrected** if any of the following occurs with respect to the circumstances identified as having caused the Senior Loan to be designated specially serviced and the Senior Loan has been transferred back to the control of the Servicer (and provided that no other Special Servicing Event then exists):

- (a) with respect to the circumstances described in paragraphs (a) and (h) in the definition of Special Servicing Event the Borrower has made two consecutive timely quarterly payments in full (disregarding for these purposes any deferral of interest pursuant to the terms of the Senior Credit Agreement);
- (b) with respect to the circumstances described in paragraph (b) the Interest Cover Test has been cured;
- (c) with respect to the circumstances described in paragraphs (c) and (d) in the definition of Special Servicing Event such proceedings are terminated;
- (d) with respect to the circumstances described in paragraph (e) in the definition of Special Servicing Event such circumstances cease to exist in the good faith and reasonable judgment of the Special Servicer;
- (e) with respect to the circumstances described in paragraph (f) in the definition of Special Servicing Event the relevant Obligor ceases to claim an inability to pay its debts or suspend the payment of obligations or the termination of any assignment for the benefit of its creditors; or
- (f) with respect to the circumstances described in paragraph (g) in the definition of Special Servicing Event such default is cured.

The Special Servicing Fee will accrue on a daily basis over such period and will be payable on each Interest Payment Date commencing with the Interest Payment Date following the date on which such period begins and ending on the Interest Payment Date following the end of such period.

In addition to the Special Servicing Fee, the Special Servicer will be entitled to a fee (the **Liquidation Fee**) (exclusive of value added tax, if any) in respect of a Loan equal to an amount of 1.00 per cent. of the proceeds (net of all costs and expenses incurred as a result of the default of the Senior Loan, enforcement and sale), if any, arising on the sale of a Property or on or out of the application of any other enforcement procedures or other actions taken by the Special Servicer in respect of the Loan.

In addition to the Special Servicing Fee and the Liquidation Fee (if any) in respect of a Loan, the Special Servicer will be entitled to receive a fee (the **Workout Fee**) in consideration of providing services in relation to the Senior Loan when they are designated to be corrected. When the Loan is designated to be corrected, the VAT-exclusive amount of Workout Fee shall be equal to 1.00 per cent. of each collection of principal and interest received on the Senior Loan (but only, in relation to collections of principal, if and to the extent that such principal received reduces the amount of principal outstanding under the Senior Loan to below the amount of principal outstanding under the Loan at the date they were first designated to be corrected) for so long as it continues to be designated corrected. The

Workout Fee will cease to be payable if the Senior Loan is no longer designated to be corrected, but the Workout Fee will become payable if and when the Senior Loan is again designated to be corrected.

The Liquidation Fee and the Workout Fee will only be payable to the extent that the Borrower has sufficient funds to pay such amount as provided in "*Issuer Transaction Documents and Cashflows – Issuer Cashflows*".

11. Removal or resignation of the Servicer or the Special Servicer

The appointment of the Servicer or the Special Servicer, as applicable, may be terminated by the Trustee and/or by the Issuer (with the consent of the Trustee) upon written notice to the Servicer or the Special Servicer, as the case may be, on the occurrence of certain events (each a **Servicing Termination Event**), including if:

- (a) the Servicer or the Special Servicer, as applicable, fails to pay or to procure the payment of any amount required to be paid under the Transaction Documents to which the Servicer or the Special Servicer is party (as the case may be) on its due date by it and either; (i) such payment is not made within five Business Days of such time; or (ii) if the Servicer's or the Special Servicer's failure to make such payment was due to inadvertent error, such failure is not remedied for a period of 10 Business Days after the Servicer or the Special Servicer becomes aware of such error;
- (b) subject as provided further in the Transaction Documents, the Servicer or the Special Servicer, as applicable, fails to comply with any of its covenants and obligations under the Servicing Agreement which in the opinion of the Trustee is materially prejudicial to the interests of the holders of the Notes and such failure either is not remediable or is not remedied for a period of 30 Business Days after the earlier of the Servicer or the Special Servicer, as the case may be, becoming aware of such default and delivery of a written notice of such default being served on the Servicer or the Special Servicer, as applicable, by the Borrower or the Trustee;
- (c) at any time the Servicer or the Special Servicer, as applicable, fails to obtain or maintain the necessary licences or regulatory approvals enabling it to continue servicing each Loan; or
- (d) the occurrence of an insolvency event in relation to the Servicer or the Special Servicer.

In addition, if the Senior Loan has been designated to be specially serviced and the Issuer is so instructed by the Controlling Party, the Borrower will terminate the appointment of the person then acting as Special Servicer and, subject to certain conditions, appoint a qualified successor thereto (such successor to pay any costs incurred by the Borrower in relation to the replacement of the Special Servicer).

Controlling Party means, at any time:

- (a) the holders of the most junior Class of Notes then having a Principal Amount Outstanding (as defined below) greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date; or
- (b) if no Class of Notes then has a Principal Amount Outstanding greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date, the holders of the then most junior Class of Notes,

excluding, in each case; (i) any Class of Notes, the entire Principal Amount Outstanding of which is held by, or for the benefit of or on behalf of the Borrower and/or any one or more of its affiliates (the **Excluded Class**) and (ii) any Principal Amount Outstanding of any Class of Notes held by or on behalf of the Borrower and/or any one or more of its affiliates.

In the event that the Excluded Class would be (but for the preceding paragraph) determined to be the Controlling Party, the Class of Notes ranking immediately in priority in point of security to the Excluded Class and satisfying the test above will be the Controlling Party.

Prior to or contemporaneously with any termination of the appointment of the Servicer or the Special Servicer, it would first be necessary for the Issuer to appoint a substitute servicer or special servicer approved by the Trustee.

In addition, subject to the fulfilment of certain conditions including, without limitation, that a substitute servicer or special servicer has been appointed, the Servicer or Special Servicer may voluntarily resign by giving not less than three months' notice of termination to the Issuer and the Trustee.

Any such substitute servicer or special servicer (whether appointed upon a termination of the appointment of, or the resignation of, the Servicer or Special Servicer, as the case may be) will be required to, if possible, have experience servicing commercial loans secured on commercial mortgage properties in Ireland and will enter into an agreement on substantially the same terms in all material aspects as the Servicing Agreement, taking into account also what is standard for such agreements in similar transactions at the time. Under the terms of the Servicing Agreement, the appointment of a substitute servicer or special servicer will be subject to the Rating Agencies confirming that the appointment will not adversely affect the then current ratings (if any) of any class of the Notes unless otherwise agreed by Extraordinary Resolutions of each class of Noteholders. Any costs incurred by the Issuer as a result of appointing any such substitute servicer or special servicer shall, save as specified above, be paid by the Servicer or Special Servicer (as the case may be) whose appointment is being terminated. The fee payable to any such substitute servicer or special servicer should not, without the prior written consent of the Trustee, exceed the amount payable to the Servicer or Special Servicer pursuant to the Servicing Agreement and in any event should not exceed the rate then customarily payable to providers of commercial mortgage loan servicing services.

Forthwith upon termination of the appointment of, or the resignation of, the Servicer or Special Servicer, the Servicer or Special Servicer (as the case may be) must deliver any documents and all books of account and other records maintained by the Servicer or Special Servicer relating to the Senior Loan and/or the Loan Security to, or at the direction of, the substitute servicer or substitute special servicer and shall take such further action as the substitute servicer or substitute special servicer, as the case may be, shall reasonably request to enable the substitute servicer or the substitute special servicer, as the case may be, to perform the services due to be performed by the Servicer or the Special Servicer under the Servicing Agreement.

Appointment of the Operating Adviser

The Controlling Party may elect to appoint an operating adviser (the **Operating Adviser**) to represent its interests and to advise the Special Servicer about the following matters in relation to the Senior Loan:

- (a) appointment of a receiver or similar actions to be taken in relation to the Senior Loan;
- (b) the amendment, waiver or modification of any term of the Finance Documents relating to the Senior Loan which affects the amount payable by the Borrower or the time at which any amounts are payable, or any other material term of the relevant Finance Documents; and
- (c) the release of any part of the relevant Loan Security, or the acceptance of substitute or additional Loan Security other than in accordance with the terms of the Senior Credit Agreement.

Before taking any action in connection with the matters referred to in paragraphs (a) to (c) above, the Special Servicer must notify the Operating Adviser of its intentions and must take due account of the advice and representations of the Operating Adviser, although if the Special Servicer determines that immediate action is necessary to protect the interests of the Noteholders, the Special Servicer may take whatever action it considers necessary without waiting for the Operating Adviser's response. If the Special Servicer does take such action and the Operating Adviser objects in writing to the actions so taken within ten Business Days after being notified of the action and provided with all reasonably requested information, the Special Servicer must take due account of the advice and representations of the Operating Adviser regarding any further steps the Operating Adviser considers should be taken in the interests of the Controlling Party. The Operating Adviser will be considered to have approved any action taken by the Special Servicer without the prior approval of the Operating Adviser if it does not object within ten Business Days. Furthermore, the Special Servicer will not be obliged to obtain the approval of the Operating Adviser for any actions to be taken with respect to a specially serviced Loan if the Special Servicer has notified the Operating Adviser in writing of the actions that the Special Servicer proposes to take with respect to the specially serviced Loan and, for 60 days following the first such notice, the Operating Adviser has objected to all of those proposed actions and has failed to suggest any alternative actions that the Special Servicer considers to be in accordance with the Servicing Agreement.

Delegation by the Servicer and Special Servicer

The Servicer or the Special Servicer, as applicable, may, in some circumstances including with the prior written consent of the Trustee and, in the case of the Servicer, with the prior written consent of the Special Servicer (where the Special Servicer is not Eurohypo), and after giving written notice to the

Trustee and the Rating Agencies, delegate or subcontract the performance of any of its obligations or duties under the Servicing Agreement. This shall not prevent the engagement on a case by case basis by the Servicer or Special Servicer, as applicable, of any solicitor, valuer, surveyor, estate agent, property management agent or other professional adviser in respect of services normally provided by such persons in connection with the performance by the Servicer or the Special Servicer, as applicable, of any of its respective functions or exercise of its powers under the Servicing Agreement. Upon the appointment of any such delegate or subcontractor the Servicer or the Special Servicer, as the case may be, will nevertheless remain responsible for the performance of those duties to the Borrower and the Trustee.

Governing law

The Servicing Agreement will be governed by English law.

ACCOUNT BANK

HSBC Bank plc will be appointed to act as Account Bank pursuant to the terms of the Issuer Account Bank Agreement.

HSBC Bank plc

HSBC Bank plc and its subsidiaries form a UK-based group providing a comprehensive range of banking and related financial services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently registered as a limited company in 1880. In 1923, the company adopted the name of Midland Bank Limited which it held until 1982 when the name was changed to Midland Bank plc.

During the year ended 31 December 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc, whose Group Head Office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in the year ended 31 December 1999.

The HSBC Group is one of the largest banking and financial services organisations in the world, with over 9,700 offices in 77 countries and territories in Europe, Hong Kong, the rest of Asia-Pacific, including the Middle East and Africa, North America and South America. Its total assets at 30 June 2005 were US\$1,467 billion. HSBC Bank plc is the HSBC Group's principal operating subsidiary undertaking in Europe.

The short-term unsecured obligations of HSBC Bank are currently rated A-1+ by S&P, P-1 by Moody's and F1+ by Fitch and the long-term unsecured obligations of HSBC Bank plc are currently rated Aa2 by Moody's, AA- by S&P and AA by Fitch.

The information contained herein with respect to HSBC Bank plc has been obtained from HSBC Bank plc. Delivery of this Offering Circular shall not create any implication that there has been no change in the affairs of HSBC Bank plc since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to this date.

LIQUIDITY BANK

Lloyds TSB Bank plc, acting through its corporate office at Faryner's House, 25 Monument Street, London EC3R 8BQ, will act as the Liquidity Facility Provider under the Liquidity Facility Agreement.

Lloyds TSB Bank plc

Lloyds TSB Bank plc together with its subsidiaries and affiliates provides a range of banking and financial services in the UK and overseas. These include providing personal, business and corporate customers with banking and other related financial services. Lloyds TSB Bank plc is regulated by the Financial Services Authority. The short-term, unsecured, unsubordinated debt obligations of Lloyds TSB Bank plc as at the date of this Offering Circular are rated P-1 by Moody's F1+ by Fitch and A-1+ by S&P.

ESTIMATED AVERAGE LIVES OF THE NOTES AND ASSUMPTIONS

The average lives of the Notes cannot be predicted because the Senior Loan will be prepayable and a number of other relevant factors are unknown.

Calculations of possible average lives of the Notes can be made based on certain assumptions. For example, based on the assumptions that:

- (a) the Senior Loan is not sold by the Issuer;
- (b) the Senior Loan does not default, is not prepaid (in whole or in part), is not enforced and no loss arises;
- (c) the Senior Loan is not bought by the Junior Lender, the Servicer or the Special Servicer; and
- (d) the Closing Date is 15 February 2006,

then the approximate average lives of the Notes would be as follows:

- (i) in respect of the Class A Notes, 7 years;
- (ii) in respect of the Class B Notes, 7 years;
- (iii) in respect of the Class C Notes, 7 years;
- (iv) in respect of the Class D Notes, 7 years;

Assumptions (a), (b) and (c) above relate to circumstances which are not predictable.

The average lives of the Notes will be subject to factors outside the control of the Issuer and consequently no assurance can be given that the estimates above will in fact be realised and they must therefore be viewed with considerable caution.

USE OF PROCEEDS

The net and gross proceeds from the issue of the Notes will be approximately €375,000,000, and this sum will be applied by the Issuer towards the making of the Senior Loan to the Borrower on the Closing Date pursuant to the Senior Credit Agreement. Fees, costs and expenses incurred by the Issuer in connection with the issue of the Notes will be met by the Issuer and/or the Borrower.

The Borrower will on-lend the proceeds of the Senior Loan, together with the proceeds of the Junior Loan, to the PropCos pursuant to the PropCo Loan Agreement.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes in the form (subject to modification) in which they will be set out in the Trust Deed and, subject to any contrary provisions thereof, such Terms and Conditions will apply to the Notes in global and in definitive form if issued:

The issue of the €250,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2015 (the **Class A Notes**), the €50,000,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2015 (the **Class B Notes**), the €40,000,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2015 (the **Class C Notes**) and the €35,000,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2015 (the **Class D Notes** and, together with the Class A Notes, the Class B Notes and the Class C Notes, the **Notes** and each a **Note**) by Opera Finance (CMH) p.l.c. (the **Issuer**) was authorised by a resolution of the Board of Directors of the Issuer passed on 1 February 2006.

The Notes are constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated on or before 15 February 2006 (the **Closing Date**) made between the Issuer and HSBC Trustee (C.I.) Limited (the **Trustee**, which expression includes its successors as trustee or any further or other trustee(s) under the Trust Deed) as trustee for the holders of the Notes (the **Noteholders**).

The proceeds of the issue of the Notes will be applied in or towards the making of the Senior Loan to CMH CMBS Borrower Limited (the **Borrower**).

References herein to the Notes include references to:

- (a) whilst the Notes are represented by a Global Note (as defined in Condition 1.2(b)) any unit of €50,000 (as reduced by any redemption in part of a Note pursuant to Condition 6);
- (b) any Global Note; and
- (c) any Definitive Notes (as defined in Condition 2.1(a)) issued in exchange for a Global Note.

References herein to interest include references to Deferred Interest (as defined below) and interest thereon, unless the context otherwise requires.

The Noteholders and the holders of the Receipts and Coupons (each as defined below) (the **Receiptholders** and **Couponholders** respectively) are subject to and have the benefit of an agency agreement (as amended and/or supplemented from time to time, the **Agency Agreement**) dated the Closing Date between the Issuer, HSBC Bank plc as principal paying agent (in such capacity, the **Principal Paying Agent**, which expression includes any successor principal paying agent appointed from time to time in respect of the Notes) and as agent bank (in such capacity, the **Agent Bank**, which expression includes any successor agent bank appointed from time to time in connection with the Notes), HSBC Institutional Trust Services (Ireland) Limited as Irish paying agent (the **Irish Paying Agent**, which expression includes any successor Irish paying agent appointed from time to time in connection with the Notes and together with the Principal Paying Agent and any other paying agent appointed from time to time in connection with the Notes, the **Paying Agents**) and the Trustee.

The security for the Notes is granted or created pursuant to an Issuer Deed of Charge under Irish law, save in respect of security granted over the Issuer Accounts which will be governed by and construed in accordance with English law, (the **Issuer Deed of Charge**, which expression includes such Issuer 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 so modified) dated the Closing Date and made between, among others, the Issuer and the Trustee.

The Noteholders, Receiptholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement and the Issuer Deed of Charge applicable to them and all the provisions of the other Transaction Documents (including the Issuer Account Bank Agreement, the Servicing Agreement, the Liquidity Facility Agreement, the PropCo Loan Agreements, the Senior Credit Agreement, the Intercreditor Agreement, the Issuer Corporate Services Agreement, the Security Agreement, the CMH Mortgage of Shares, the Intermediate Parent Mortgage of Shares, the Issuer Share Trust Deed, the Nominee Declaration of Trusts, the Option Agreement, the Option Security Agreement, the Option Exercise Deed, the Option Mortgage of Shares, the Option GrantCo Mortgage of Shares, the Collection Account Bank Agreements, the Option Corporate Services Agreement, the Option Issuer Loan Agreement, the Option Share Trust Deed, the Property Management Outsourcing Agreement, the Obligor Account

Bank Agreement, the Obligor Corporate Services Agreement, the Tax Deed of Covenant and the Master Definitions Schedule (each as defined in the master definitions schedule signed for identification by, among others, the Issuer and the Trustee on or about the Closing Date (the **Master Definitions Schedule**)) applicable to them.

The statements in these Terms and Conditions (these Conditions) include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement, the Issuer Deed of Charge and the other Transaction Documents. Capitalised terms used in these Conditions but not otherwise defined shall have the meanings set out in the Master Definitions Schedule.

As used in these Conditions:

- (a) a reference to a **Class of Notes** or the respective holders thereof, shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes (and, unless the context otherwise requires, shall include in each case any Coupons and Receipts appertaining thereto) or the respective Noteholders, Receiptholders and Couponholders as applicable, and **Classes**, in a similar context, shall be construed accordingly;
- (b) a reference to **Notes of any Class** shall in these Conditions, unless the context otherwise requires, include any Further Notes (as defined below in Condition 16.1) issued pursuant to Condition 16 and forming a single series with the relevant Class of Notes; and
- (c) **Most Senior Class of Notes** means at any time:
 - (i) the Class A Notes; or
 - (ii) if no Class A Notes are then outstanding (as defined in the Trust Deed), the Class B Notes (if at that time any Class B Notes are then outstanding); or
 - (iii) if no Class A Notes and Class B Notes are then outstanding, the Class C Notes (if at that time any Class C Notes are then outstanding); or
 - (iv) if no Class A Notes, Class B Notes and Class C Notes are then outstanding, the Class D Notes (if at that time any Class D Notes are outstanding).

Copies of the Transaction Documents to which the Trustee is a party are available to Noteholders for inspection at the specified office of each of the Principal Paying Agent and the Irish Paying Agent.

1. GLOBAL NOTES

1.1 Temporary Global Notes

- (a) The Notes of each Class will initially be represented by a temporary global Note of the relevant Class (each, a **Temporary Global Note**).
- (b) The Temporary Global Notes will be deposited on behalf of the subscribers of the Notes with a common depositary (the **Common Depositary**) for Euroclear Bank S.A.N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) on the Closing Date. Upon deposit of the Temporary Global Notes, Euroclear or Clearstream, Luxembourg will credit the account of each Accountholder (as defined below) with the principal amount of Notes for which it has subscribed and paid.

1.2 Permanent Global Notes

- (a) Interests in each Temporary Global Note will be exchangeable 40 days after the Closing Date (the **Exchange Date**), provided certification of non-U.S. beneficial ownership (**Certification**) by the relevant Noteholders has been received, for interests in a permanent global Note of the relevant Class (each, a **Permanent Global Note**) which will also be deposited with the Common Depositary unless the interests in the relevant Permanent Global Note have already been exchanged for Notes in definitive form in which event the interests in such Temporary Global Note may only be exchanged (subject to Certification) for Notes of the relevant Class in definitive form.
- (b) The expression **Global Note** shall be read and construed to mean a Temporary Global Note or a Permanent Global Note as the context may require. On the exchange in full of each Temporary Global Note for the relevant Permanent Global Note such Permanent Global Note will remain deposited with the Common Depositary.

1.3 Form and Title

- (a) Each Global Note shall be issued in bearer form without Receipts, Coupons or Talons (as defined below).
- (b) Title to the Global Notes will pass by delivery. Notes represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.
- (c) For so long as the Notes of a Class are represented by one or both Global Notes in respect of that Class, the Issuer, the Trustee and all other parties shall (to the fullest extent permitted by applicable laws) deem and treat each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (an **Accountholder**) (other than Euroclear and Clearstream, Luxembourg where each is recorded as an Accountholder in Clearstream, Luxembourg and Euroclear respectively) as the holder of such principal amount of such Notes, in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes or interest in such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders), other than for the purposes of payment of principal and interest on such Global Notes, the right to which shall be vested, as against the Issuer, the Paying Agents and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to the terms of the Trust Deed. The expressions **Noteholders**, **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.
- (d) In determining whether a particular person is entitled to a particular principal amount of Notes as aforesaid, and subject to Condition 1.3(c), the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

2. DEFINITIVE NOTES

2.1 Issue of Definitive Notes

- (a) A Permanent Global Note will be exchanged free of charge (in whole but not in part) for Notes in definitive bearer form (**Definitive Notes**) only if at any time after the Exchange Date any of the following applies:
 - (i) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do in fact do so and no alternative clearing system satisfactory to the Trustee is available; or
 - (ii) as a result of any amendment to, or change in, the laws or regulations of Ireland or any applicable jurisdiction (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation by a revenue authority or a court of administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will become 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 form.
- (b) Thereupon, the whole of such Permanent Global Note will be exchanged for Definitive Notes (in the form provided in Condition 2.2 below), Receipts and Coupons in respect of principal and interest which has not already been paid on such Permanent Global Note as provided in such Permanent Global Note.

2.2 Title to and Transfer of Definitive Notes

- (a) Each Definitive Note shall be issued in bearer form, serially numbered, in the denomination of €50,000 with (at the date of issue) principal receipts (**Receipts**) and interest coupons (**Coupons**, which expression includes talons for further Coupons and Receipts (**Talons**), except where the context otherwise requires) attached.
- (b) Title to the Definitive Notes, Receipts and Coupons will pass by delivery.

- (c) The Issuer, the Paying Agents and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Definitive Note and the holder of any Receipt or Coupon as the absolute owner for all purposes (whether or not the Definitive Note, the Receipt or the Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss, of any trust or other interest therein or of any writing on the Definitive Note, Receipt or Coupon) and the Issuer, the Trustee and the Paying Agents shall not be required to obtain any proof thereof or as to the identity of such holder.

3. STATUS, SECURITY AND PRIORITY OF PAYMENTS

3.1 Status and relationship between Classes of Notes

- (a) The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes constitute direct, secured, limited recourse obligations of the Issuer and are secured by assignments, charges and other fixed and floating security interests over all of the assets of the Issuer (as more particularly described in the Issuer Deed of Charge) (the **Issuer Charged Property**) (such assignments, charges and fixed and floating security interests together, the **Issuer Security**). Notes of the same Class rank *pari passu* and rateably without any preference or priority amongst themselves.
- (b) Pursuant to the provisions of this Condition 3, the Trust Deed and the Issuer Deed of Charge, the Class A Notes will rank in priority to all other Classes of Notes in point of security and as to the payment of principal and interest, the Class B Notes will be subordinated in point of security and as to right of payment of principal and interest in respect of the Class A Notes but will rank in priority to the Class C Notes and the Class D Notes in point of security and as to the payment of principal and interest. The Class C Notes will be subordinated in point of security and as to right of payment of principal and interest in respect of the Class A Notes and the Class B Notes but will rank in priority to the Class D Notes in point of security and as to right of payment of principal and interest. The Class D Notes will be subordinated in point of security and as to the payment of principal and interest in respect of the Class A Notes, the Class B Notes and the Class C Notes.
- (c) In connection with the exercise of the powers, trusts, authorities, duties and discretions vested in it by the Trust Deed and the other Transaction Documents the Trustee shall:
 - (i) except where expressly provided otherwise, have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders equally PROVIDED THAT if in the opinion of the Trustee: (1) (for so long as there are any Class A Notes outstanding) there is a conflict between the interests of the Class A Noteholders on the one hand and the interests of the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders on the other hand, it shall have regard only to the interests of the Class A Noteholders; (2) (for so long as there are any Class B Notes outstanding) there is a conflict between the interests of the Class B Noteholders on the one hand and the interests of the Class C Noteholders and/or the Class D Noteholders on the other hand, it shall, subject to (1) above, have regard only to the interests of the Class B Noteholders; and (3) (for so long as there are any Class C Notes outstanding) there is a conflict between the interests of the Class C Noteholders on the one hand and the interests of the Class D Noteholders on the other hand, it shall subject to (1) and (2) above, have regard only to the interests of the Class C Noteholders, but so that this proviso shall not apply in the case of powers, trusts, authorities, duties and discretions:
 - (A) in relation to which it is expressly stated that they may be exercised by the Trustee only if in its opinion the interests of the Noteholders would not be materially prejudiced thereby; or
 - (B) the exercise of which by the Trustee relates to any Basic Terms Modification (as defined in Condition 12.9(b)), in which event the Trustee may exercise such powers, trusts, authorities, duties and discretions only if it is satisfied that to do so will not be materially prejudicial to the interests of the Noteholders of any Class that will be affected thereby;
 - (ii) where it is required to have regard to the interests of the Noteholders (or any Class thereof), it shall have regard to the interests of such Noteholders (or such Class) as a

class and in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences thereof for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholders be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders; and

- (iii) except where expressly provided otherwise, have regard only to the interests of the Noteholders and shall not be required to have regard to the interests of any Other Issuer Secured Creditor or any other person or to act upon or comply with any direction or request of any Other Issuer Secured Creditor or any other person whilst (in the case of any Other Issuer Secured Creditor) any amount remains owing to any Noteholder and (in the case of any other person) at any time.
- (d) In the event of an issue of Replacement Notes (as defined in Condition 16.2) or New Notes (as defined in Condition 16.3), the provisions of the Trust Deed, these Conditions, the Agency Agreement and the Issuer Deed of Charge, including those concerning:
- (i) the basis on which the Trustee will be required to exercise its rights, powers, trusts, authorities, duties and discretions;
 - (ii) the circumstances in which the Trustee will become bound to take action, as referred to in Condition 10 or 11;
 - (iii) meetings of Noteholders and the passing of effective Extraordinary Resolutions; and
 - (iv) the order of priority of payments both prior to, and upon, acceleration of the Notes,
- will be modified in such manner as the Trustee considers necessary to reflect the issue of such Replacement Notes or, as the case may be, New Notes and the ranking thereof in relation to the Notes. If any New Notes are issued and the Notes are then listed on the Irish Stock Exchange, the Issuer will immediately advise the Irish Stock Exchange accordingly, procure the publication of a notice of the issue in a leading newspaper having general circulation in Dublin, file a new offering circular in respect of the issue of the New Notes with the Irish Stock Exchange and make such offering circular and any related agreements available in Dublin at the specified office of the Irish Paying Agent.

As used in these Conditions:

Other Issuer Secured Creditors means the Trustee, any appointee of the Trustee, the Servicer, the Special Servicer, the Issuer Corporate Services Provider, OptionCo, Option HoldCo, the Liquidity Bank, the Account Bank, the Note Arranger, the Agent Bank and the Paying Agents; and

Issuer Secured Creditors means the Noteholders, the Receiptholders, the Couponholders, the Other Issuer Secured Creditors and any other party so designated by the Issuer and the Trustee.

3.2 Issuer Security and Priority of Payments

The Issuer Security in respect of the Notes and Coupons and the payment obligations of the Issuer under the Transaction Documents is set out in the Issuer Deed of Charge. The Servicing Agreement contains provisions regulating the priority of application of the Issuer Charged Property by the Servicer (and proceeds thereof) among the persons entitled thereto prior to the Issuer Security becoming enforceable and the Issuer Deed of Charge contains provisions regulating such application by the Trustee after the Issuer Security has become enforceable.

The Issuer Security will become enforceable upon the occurrence of a Note Event of Default in accordance with Condition 10. If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Trustee will not be entitled to dispose of the assets comprising the Issuer Charged Property or any part thereof unless: (a) 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 (b) the Trustee is of the opinion, which will be binding on the Noteholders, reached after considering at any time and from time to time the advice, upon which

the Trustee will be entitled to rely, of such professional advisers as may be selected by the Trustee, that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Noteholders and any amounts required under the Issuer Deed of Charge to be paid *pari passu* with, or in priority to, the Notes; or (c) the Trustee determines that not to effect such disposal would place the Issuer Security in jeopardy, and, in any event, the Trustee has been secured and/or indemnified to its satisfaction.

If the net proceeds of realisation of, or enforcement with respect to, the Issuer Security are not sufficient to make all payments due in respect of the Notes, the other assets of the Issuer (including the amounts standing to the credit of the Issuer in the Issuer Share Capital Proceeds Account in accordance with the Transaction Documents) will not be available for payment of any shortfall arising therefrom, and any such shortfall will be borne among the Issuer Secured Creditors and amongst the Noteholders as provided in these Conditions and the Issuer Deed of Charge. All claims in respect of such shortfall, after realisation of or enforcement with respect to all of the Issuer Security, will be extinguished and the Trustee, the Noteholders and the other Issuer Secured Creditors will have no further claim against the Issuer in respect of such unpaid amounts. Each Noteholder, by subscribing for or purchasing Notes, is deemed to accept and acknowledge that it is fully aware that:

- (a) in the event of realisation or enforcement of the Issuer Security, its right to obtain payment of interest and repayment of principal on the Notes in full is limited to recourse against the undertaking, property and assets of the Issuer comprised in the Issuer Security;
- (b) the Issuer will have duly and entirely fulfilled its payment obligations by making available to such Noteholder its proportion of the proceeds of realisation or enforcement of the Issuer Security in accordance with the payment priorities of the Issuer Deed of Charge and all claims in respect of any shortfall will be extinguished; and
- (c) in the event that a shortfall in the amount available to pay principal of the Notes of any class exists on the Final Maturity Date or on any earlier date for redemption in full of the Notes or any class of Notes, after payment on the Final Maturity Date or such date of earlier redemption of all other claims ranking higher in priority to or *pari passu* with the Notes or the related class of Notes, and the Issuer Security has not become enforceable as at the Final Maturity Date or such date of earlier redemption, the liability of the Issuer to make any payment in respect of such shortfall will cease and all claims in respect of such shortfall will be extinguished.

4. COVENANTS

4.1 Restrictions

Save with the prior written consent of the Trustee pursuant to Condition 12.11 or as provided in these Conditions or as permitted by the Transaction Documents the Issuer, shall not so long as any of the Notes remains outstanding:

- (a) *Negative Pledge:*
(save for the Issuer Security) create or permit to subsist any mortgage, sub-mortgage charge, sub-charge, assignment, assignation, pledge, lien, hypothecation or other security interest whatsoever, however created or arising (unless arising by operation of law) over any of its property, assets or undertakings (including the Issuer Charged Property) or any interest, estate, right, title or benefit therein or use, invest or dispose of, including by way of sale or the grant of any security interest of whatsoever nature or otherwise deal with, or agree or attempt or purport to sell or otherwise dispose of (in each case whether by one transaction or a series of transactions) or grant any option or right to acquire any such property, assets or undertaking present or future;
- (b) *Restrictions on Activities:*
 - (i) engage in any activity whatsoever which is not, or is not reasonably incidental to, any of the activities in which the Transaction Documents provide or envisage the Issuer will engage;

- (ii) open or have an interest in any account whatsoever with any bank or other financial institution, save where such account or the Issuer's interest therein is immediately charged in favour of the Trustee so as to form part of the Issuer Security;
 - (iii) have any subsidiaries;
 - (iv) own or lease any premises or have any employees;
 - (v) amend, supplement or otherwise modify its memorandum and articles of association; or
 - (vi) issue any further shares;
- (c) *Borrowings:*
incur or permit to subsist any other indebtedness in respect of borrowed money whatsoever, except in respect of the Notes, or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;
- (d) *Merger:*
consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person unless:
- (i) the person (if other than the Issuer) which is formed pursuant to or survives such consolidation or merger or which acquires by conveyance or transfer the properties and assets of the Issuer substantially as an entirety shall be a person incorporated and existing under the laws of Ireland and constituting a "qualifying company" for the purposes of Section 110 of the Taxes Consolidation Act, 1997 (as amended), the objects of which include the funding, purchase and administration of mortgages and mortgage loans, and who shall expressly assume, by an instrument supplemental to each of the Transaction Documents, in form and substance satisfactory to the Trustee, the obligation to make due and punctual payment of all monies owing by the Issuer, including principal and interest on the Notes, and the performance and observance of every covenant in each of the Transaction Documents to be performed or observed on the part of the Issuer;
 - (ii) immediately after giving effect to such transaction, no Note Event of Default (as defined in Condition 10) shall have occurred and be continuing;
 - (iii) such consolidation, merger, conveyance or transfer has been approved by Extraordinary Resolution of each Class of the Noteholders;
 - (iv) all persons required by the Trustee shall have executed and delivered such documentation as the Trustee may require;
 - (v) the Issuer shall have delivered to the Trustee a legal opinion of Irish and English lawyers respectively acceptable to the Trustee in a form acceptable to the Trustee to the effect that such consolidation, merger, conveyance or transfer and such supplemental instruments and other documents comply with paragraphs (i), (ii), (iii) and (iv) above and are binding on the Issuer (or any successor thereto); and
 - (vi) the then current ratings of the Notes are unaffected by such consolidation, merger, conveyance or transfer;
- (e) *Disposal of Assets:*
transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein;
- (f) *Assets:*
own assets other than those representing its share capital, the funds arising from the issue of the Notes, the property, rights and assets secured by the Issuer Security and associated and ancillary rights and interests thereto, the benefit of the 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;

- (g) *Dividends or Distributions:*
pay any dividend or make any other distribution to its shareholders or issue any further shares, other than in accordance with the Issuer Deed of Charge;
- (h) *VAT:*
apply to become part of any group for the purposes of section 8(8) of the Irish Value Added Tax Act 1972 (as amended) with any other company or group of companies, or any such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal the Irish Value Added Tax Act 1972;
- (i) *Centre of main interests:*
maintain its "centre of main interests" or have an "establishment" (as that phrase is used in Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) in any jurisdiction other than Ireland;
- (j) *Qualifying Company:*
prejudice its status as a "qualifying company" for the purposes of section 110 of the Taxes Consolidation Act, 1997 (as amended); or
- (k) *Other:*
cause or permit the validity or effectiveness of any of the Transaction Documents, or the priority of the security interests created thereby, to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise any powers of consent or waiver pursuant to, the Trust Deed, the Issuer Deed of Charge or any of the other Transaction Documents, or dispose of any part of the Issuer Charged Property.

In giving any consent to the foregoing, the Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents or may impose such other conditions or requirements as the Trustee may deem expedient (in its absolute discretion) in the interests of the Noteholders, provided that each of the Rating Agencies has provided written confirmation to the Trustee that the then applicable ratings of each class of Notes then rated thereby will not be adversely affected as a result thereof.

4.2 Servicer

- (a) So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a servicer for the servicing of the Senior Loan (as defined in the Master Definitions Schedule) and the performance of the other administrative duties set out in the Servicing Agreement.
- (b) The Servicing Agreement will provide that (i) the Servicer will not be permitted to terminate its appointment unless a replacement servicer acceptable to the Issuer and the Trustee has been appointed and (ii) the appointment of the Servicer may be terminated by the Trustee if, among other things, the Servicer defaults in any material respect in the observance and performance of any obligation imposed on it under the Servicing Agreement, which default is not remedied within 30 Business Days after written notice of such default shall have been served on the Servicer by the Issuer or the Trustee.

4.3 Special Servicer

If the Senior Loan has become specially serviced in accordance with the Servicing Agreement, then the Issuer, upon being so instructed by an Extraordinary Resolution of the Class of Noteholders then acting as Controlling Party, will exercise its rights under the Servicing Agreement to appoint a substitute or successor special servicer in respect of the Senior Loan subject to the conditions of the Servicing Agreement.

Controlling Party means, at any time:

- (a) the holders of the most junior Class of Notes then having an aggregate Principal Amount Outstanding (as defined below) greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date; or

- (b) if no Class of Notes then has an aggregate Principal Amount Outstanding greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date, the holders of the then most junior Class of Notes,

excluding, in each case; (i) any Class of Notes the entire Principal Amount Outstanding of which is held by, or for the benefit of or on behalf of a Borrower and/or any one or more of its Affiliates (the **Excluded Class**) and (ii) any Principal Amount Outstanding of any Class of Notes held by or on behalf of the Borrower and/or any one or more of its affiliates.

In the event that the Excluded Class would be (but for the preceding paragraph) determined to be the Controlling Party, the Class of Notes ranking immediately in priority in point of security to the Excluded Class and satisfying the test above will be the Controlling Party.

4.4 Operating Adviser

The Class of Noteholders then acting as Controlling Party may, by an Extraordinary Resolution passed by that class, appoint an adviser (the **Operating Adviser**) with whom the Servicer or Special Servicer, as the case may be, will be required to liaise in accordance with the Servicing Agreement.

5. INTEREST

5.1 Period of Accrual

The Notes will bear interest from (and including) the Closing Date. Interest shall cease to accrue on any part of the Principal Amount Outstanding (as defined in Condition 6.1) of any Note from the due date for redemption unless, upon due presentation, payment of principal or any part thereof due is improperly withheld or refused or any other default is made in respect thereof. In such event, interest will continue to accrue as provided in the Trust Deed.

5.2 Interest Payment Dates and Interest Periods

- (a) Subject to Condition 18, interest on the Notes is (subject as provided below in relation to the first payment) payable quarterly in arrears on 15 January, 15 April, 15 July and 15 October in each year or, if any such day is not a Business Day (as defined below), the next following day that is a Business Day (each, an **Interest Payment Date**). The first such payment is due on the Interest Payment Date falling in April 2006 in respect of the period from (and including) the Closing Date to (but excluding) that first Interest Payment Date.
- (b) Each period from (and including) an Interest Payment Date (or the Closing Date, in the case of the first Interest Period) to (but excluding) the next (or, in the case of the first Interest Period, the first Interest Payment Date) is in these Conditions called an **Interest Period**.

5.3 Rates of Interest

The rate of interest payable from time to time (the **Rate of Interest**) and the Interest Payment (as defined below) in respect of each Class of Notes will be determined by the Agent Bank on the basis of the following provisions:

- (a) The Agent Bank will, at or as soon as practicable after 11.00 a.m. (Brussels time) on the day falling two TARGET Business Days before the first day of the relevant Interest Period (each, an **Interest Determination Date**), determine the Rate of Interest applicable to, and calculate the amount of interest payable on each of the Notes (each payment so calculated, an **Interest Payment**), for the next Interest Period. The Rate of Interest applicable to the Notes of each Class for any Interest Period will be equal to:
- (i) in the case of the Class A Notes, EURIBOR (as determined in accordance with Condition 5.3(b)) plus a margin of 0.19 per cent. per annum;
 - (ii) in the case of the Class B Notes, EURIBOR (as so determined) plus a margin of 0.30 per cent. per annum;
 - (iii) in the case of the Class C Notes, EURIBOR (as so determined) plus a margin of 0.50 per cent. per annum; and
 - (iv) in the case of the Class D Notes, EURIBOR (as so determined) plus a margin of 0.80 per cent. per annum.

The Interest Payment in relation to a Note of a particular Class shall be calculated by applying the Rate of Interest applicable to the Notes of that Class to the Principal Amount Outstanding of each Note of that Class, multiplying the product of such calculation by the actual number of days in the relevant Interest Period or part thereof divided by 360 and rounding the resultant figure to the nearest cent (fractions of half a cent being rounded upwards).

For the purposes of these Conditions:

Business Day means a day (other than Saturday or Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and Dublin and which is a TARGET Business Day.

TARGET Business Day means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System is open.

- (b) For the purposes of determining the Rate of Interest in respect of each Class of Notes under Condition 5.3(a), EURIBOR will be determined by the Agent Bank on the basis of the following provisions:
- (i) on each Interest Determination Date, the Agent Bank will determine the interest rate for three-month euro deposits (or in respect of the first Interest Period, a linear interpolation of the rates for two-month and three-month euro deposits) in the Eurozone inter-bank market which appears on Moneyline Telerate Monitor at Telerate Page No.248 (or (x) such other page as may replace Moneyline Telerate Monitor at Telerate Page No.248 on that service for the purpose of displaying such information or (y) if that service ceases to display such information on such equivalent service (or if there is more than one, that one that is approved by the Trustee) as may replace the Moneyline/Telerate Monitor) (the **EURIBOR Screen Rate**) at or about 11.00 a.m. (Brussels time) on such date; or
 - (ii) if the EURIBOR Screen Rate is not then available, the arithmetic mean (rounded to five decimal places, 0.000005 rounded upwards) of the rates notified to the Agent Bank at its request by each of four reference banks duly appointed for such purpose (the **Reference Banks** provided that, once a Reference Bank has been appointed by the Agent Bank that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such) as the rate at which three month deposits in euros are offered for the same period as that Interest Period by those Reference Banks to prime banks in the Eurozone inter-bank market at or about 11.00 a.m. (Brussels time) on that date. If, on any such Interest Determination Date, at least two of the Reference Banks provide such offered quotations to the Agent Bank the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Determination Date, only one of the Reference Banks provides the Agent Bank with such an offered quotation, the Agent Bank shall forthwith consult with the Trustee and the Issuer for the purposes of agreeing one additional bank to provide such a quotation to the Agent Bank (which bank is in the sole opinion of the Trustee suitable for such purpose) and the rate for the Interest Period in question shall be determined, as aforesaid, on the basis of the offered quotations of such banks as so agreed. If no such bank is so agreed or such bank as so agreed does not provide such a quotation or if, on such Interest Determination Date, none of the Reference Banks provides such an offered quotation, then the rate for the relevant Interest Period shall be the arithmetic mean (rounded to five decimal places, 0.000005 being rounded upwards) of the rates quoted by major banks in the Eurozone, selected by the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the Closing Date or the relevant Interest Payment Date immediately following such Interest Determination Date, as the case may be, for loans in euros to leading European banks for a period of three months or, in the case of the first Interest Period, a linear interpolation for two-month and three-month euro deposits.
- (c) There will be no minimum or maximum Rate of Interest.

5.4 Publication of Rates of Interest and Interest Payments

The Agent Bank will cause the Rate of Interest and the Interest Payment relating to each Class of Notes for each Interest Period and the Interest Payment Date to be forthwith notified to the Issuer, the Trustee, the Servicer, the Paying Agents, the Noteholders in accordance with Condition 15 and, for so long as the Notes are listed on the Irish Stock Exchange (the **Stock Exchange**), the Stock Exchange and in any event not later than two Business Days after the relevant Interest Determination Date. The Interest Payments and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of a lengthening or shortening of such Interest Period.

5.5 Determination or Calculation by Trustee

If the Agent Bank at any time for any reason does not determine the Rates of Interest or calculate an Interest Payment in accordance with Condition 5.3 above, the Trustee shall procure the determination of the Rates of Interest at such rates as, in its absolute discretion (having such regard as it shall think fit to the procedure described in Condition 5.3 above), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Payment in accordance with Condition 5.3 above, and each such determination or calculation shall be deemed to have been made by the Agent Bank.

5.6 Notification 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 Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Reference Banks, the Agent Bank, the Paying Agents, the Trustee and all Noteholders and (in the absence as aforesaid) no liability to the Noteholders shall attach to the Issuer, the Reference Banks, the Agent Bank, the Paying Agents or the Trustee in connection with the exercise by them of any of their powers, duties and discretions under this Condition.

5.7 Agent Bank

The Issuer will procure that, so long as any of the Notes remain outstanding, there will at all times be an Agent Bank. The Issuer reserves the right at any time with the prior written consent of the Trustee to terminate the appointment of the Agent Bank. Notice of any such termination will be given to the Noteholders in accordance with Condition 15. If any person shall be unable or unwilling to continue to act as the Agent Bank, or if the appointment of the Agent Bank shall be terminated, the Issuer will, with the written approval of the Trustee, appoint a successor Agent Bank to act as such in its place, provided that neither the resignation nor the removal of the Agent Bank shall take effect until a successor approved by the Trustee has been appointed.

5.8 Deferral of Payment

- (a) Interest on the Notes is payable subject to, and in accordance with the order of priorities set out in the Pre-Enforcement Income Priority of Payments and the Post-Enforcement Pre-Acceleration Income Priority of Payments. If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any Deferred Interest (as defined below) and accrued interest thereon) payable in respect of the Class B Notes and/or the Class C Notes and/or the Class D Notes after having paid or provided for items of higher priority, then:
 - (i) the Issuer shall be entitled (unless there are then no Class A Notes outstanding) to defer, to the next Interest Payment Date, the payment of interest in respect of the Class B Notes:
 - (A) if it then defers all payments of interest then due (but for the provisions of this paragraph (A)) in respect of the Class C Notes and the Class D Notes; and
 - (B) to the extent only of any insufficiency of funds after having paid or provided for all amounts specified as having a higher priority than interest payable in respect of the Class B Notes;

- (ii) the Issuer shall be entitled (unless there are then no Class A Notes and Class B Notes outstanding) to defer, to the next Interest Payment Date, the payment of interest in respect of the Class C Notes:
 - (A) if it then defers all payments of interest then due (but for the provisions of this paragraph (A)) in respect of the Class D Notes; and
 - (B) to the extent only of any insufficiency of funds after having paid or provided for all amounts specified as having a higher priority than interest payable in respect of the Class C Notes;
 - (iii) the Issuer shall be entitled (unless there are then no Class A Notes, Class B Notes and Class C Notes outstanding) to defer, to the next Interest Payment Date, the payment of interest in respect of the Class D Notes to the extent only of any insufficiency of funds after having paid or provided for all amounts specified as having a higher priority than interest payable in respect of the Class D Notes.
- (b) Any amount of interest (including any Deferred Interest arising on any preceding Interest Payment Date and accrued interest thereon) on the Class B Notes and/or the Class C Notes and/or the Class D Notes which is not due and payable on an Interest Payment Date as a result of the provisions of this Condition 5.8 is the Class B Deferred Interest, the Class C Deferred Interest and the Class D Deferred Interest respectively and, together, the Deferred Interest arising on any such Interest Payment Date. Interest will accrue on the amount of any such Deferred Interest at the rate from time to time applicable to the Class B Notes, the Class C Notes or the Class D Notes (as the case may be) and on the same basis as interest on the Class B Notes, the Class C Notes or the Class D Notes (as the case may be) then applicable. Any Deferred Interest and accrued interest thereon is payable on the next Interest Payment Date unless and to the extent that this Condition 5.8 applies.
- (c) As soon as practicable after becoming aware that any part of a payment of interest on the Class B Notes and/or the Class C Notes and/or the Class D Notes will be deferred or that a payment previously deferred will be made in accordance with this Condition 5.8, the Issuer will give notice thereof to the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders (as the case may be) in accordance with Condition 15. Any deferral of interest in accordance with this Condition 5.8 will not constitute a Note Event of Default. The provisions of this Condition 5.8 shall cease to apply on the Final Maturity Date or any earlier date on which the Notes become repayable in full or upon acceleration of the Notes pursuant to Condition 10, at which time all Deferred Interest and accrued interest thereon shall become due and payable.

6. REDEMPTION

6.1 *Redemption on the Final Maturity Date*

Save to the extent otherwise redeemed or cancelled in accordance with this Condition 6, the Issuer shall redeem the Notes of each Class at their respective Principal Amounts Outstanding plus interest accrued and unpaid on the Interest Payment Date which falls in January 2015 (the **Final Maturity Date**).

Principal Amount Outstanding means, in respect of any Note at any time, the principal amount thereof as at the Closing Date as reduced by any payment of principal to the holder of the Note up to (and including) that time.

6.2 *Redemption for Taxation or Other Reasons*

- (a) If the Issuer at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that, on the occasion of the next Interest Payment Date, the Issuer would either: (i) become subject to tax on its income in more than one jurisdiction or the Issuer would be required to make any withholding or deduction from any payment of principal or interest in respect of any of the Notes, or the Issuer would suffer any withholding or deduction from any payment in respect of the Senior Loan, for or on account of any present or future tax, duty or charge of whatsoever nature incurred or levied by or on behalf of Ireland or any authority thereof or therein; or (ii) by reason of a change in law, which change becomes effective on or after the Closing Date, it has or will become unlawful for the Issuer to make, lend or allow to remain outstanding all or any advances made or to be made by it

under the Senior Credit Agreement, then the Issuer shall inform the Trustee accordingly and shall, in order to avoid the event described, use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved in writing by the Trustee as principal debtor under the Notes in accordance with Condition 12.11.

- (b) If the Issuer is unable to arrange such a substitution which would have the result of avoiding the event described above, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Noteholders in accordance with Condition 15, redeem all (but not some only) of the Notes at their respective Principal Amounts Outstanding together with accrued interest on the next Interest Payment Date, provided that, prior to giving any such notice, the Issuer shall have satisfied the Trustee that it will have the funds, not subject to the interest of any other person, required to fulfil its obligations hereunder in respect of the Notes and any amounts required under the Servicing Agreement and/or the Issuer Deed of Charge to be paid *pari passu* with, or in priority to, the Notes and shall have delivered to the Trustee a certificate signed by two directors of the Issuer stating that the event described above will apply on the occasion of the next Interest Payment Date and cannot be avoided by the Issuer using reasonable endeavours to arrange a substitution as aforesaid and that the Issuer will have the funds referred to above; and the Trustee shall (in the absence of manifest error) accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

6.3 Mandatory Redemption in Whole or in Part

- (a) If the Borrower prepays part of the Senior Loan in circumstances where: (i) a Property is disposed of and the Borrower elects not to use such net disposal proceeds to acquire a substitute property to place into the Portfolio; (ii) a Property or any part of a Property is compulsorily acquired or on receipt of compensation (net of tax and costs) by an Obligor under applicable planning legislation or as a result of any restriction on the use of a Property; (iii) major damage affects a Property, to the extent that the proceeds of any insurance claim received in respect of the relevant Property are greater than €50,000 and the insurance policy or relevant lease does not require the relevant PropCo to apply the insurance proceeds towards reinstatement of the affected Property; or (iv) the day on which the Borrower: (A) achieves practical completion of the Mason Hayes + Curran Building (B) procures that an occupational lease has been entered into between Candourity CMBS (PropCo) I Limited (the owning PropCo), Menelaos Developments and the partners of, Mason Hayes + Curran solicitors; and (C) procures that Candourity Limited (the **Developer**) and Castle Market Holdings Limited (**CMH**) enter into a deed of covenant with the Security Agent wherein the Developer will covenant (and CMH will guarantee) that the Developer will fully perform its obligations under the development agreement for the lease dated 20 January 2004 between the developer, Treasury Holdings Limited and Menelaos Developments (the **MHC Development Agreement**) (D) provides a report prepared by the Borrower's solicitors detailing the MHC Development Agreement and the occupational lease and (E) satisfies certain conditions precedent in respect of the MHC Building such date, the **MHC Completion Date**, has not occurred by the date falling no later than nine months after the Closing Date, then the Issuer will be obliged to redeem the Notes, on the day (which may not be an Interest Payment Date) on which the relevant prepayment is made by the Borrower having given not more than 60 and not less than 10 days notice to the Noteholders in accordance with Condition 15, in an aggregate principal amount equal to the principal amount of the relevant prepayment. In these circumstances, the Issuer will, prior to the enforcement of the Issuer Security, be obliged to redeem the Notes as follows:
- (i) firstly, an amount equal to the Senior Allocated Loan Amount of the relevant Propert(y)(ies) will be applied *pro rata* and *pari passu* in redemption of all Classes of Notes then outstanding; and
 - (ii) secondly, any pre-payment of the Senior Loan, in excess of such Senior Allocated Loan Amount will be applied:
 - (A) first, to redeem the Class A Notes until the Class A Notes have been redeemed in full;

- (B) second, to redeem the Class B Notes until the Class B Notes have been redeemed in full;
 - (C) third, to redeem the Class C Notes until the Class C Notes have been redeemed in full; and
 - (D) fourth, to redeem the Class D Notes until the Class D Notes have been redeemed in full.
- (b) If the Borrower, at its option, prepays part of the Senior Loan other than in circumstances where: (i) a Property is disposed of and the Borrower elects not to use such net disposal proceeds to acquire a substitute property to place into the Portfolio; (ii) a Property or any part of a Property is compulsorily acquired or on receipt of compensation (net of tax and costs) by an Obligor under applicable planning legislation or as a result of any restriction on the use of a Property; (iii) major damage affects a Property, to the extent that the proceeds of any insurance claim received in respect of the relevant Property are greater than €50,000 and the insurance policy or relevant lease does not require the relevant PropCo to apply the insurance proceeds towards reinstatement of the affected Property or (iv) the MHC Completion Date has not occurred by the date falling no later than nine months after the Closing Date, then the Issuer will be obliged to redeem the Notes on the Interest Payment Date on which or immediately following the day on which the relevant prepayment is made by the Borrower, in an aggregate principal amount equal to the principal amount of the relevant prepayment. In these circumstances, the Issuer will having given not more than 60 and not less than 10 days' notice to the Noteholders in accordance with Condition 15, prior to the enforcement of the Issuer Security, be obliged to redeem each class of Notes in an amount equal to the relevant Senior Loan Tranche prepared. If the Borrower has not made an election on which Senior Loan Tranche should be repaid, the proceeds will be applied:
- (i) first, to redeem the Class D Notes until the Class D Notes have been redeemed in full;
 - (ii) second, to redeem Class C Notes until the Class C Notes have been redeemed in full;
 - (iii) third, to redeem the Class B Notes until the Class B Notes have been redeemed in full; and
 - (iv) fourth, to redeem the Class A Notes until the Class A Notes have been redeemed in full.
- (c) If the Borrower is required to prepay the Senior Loan under the terms of the Senior Credit Agreement in circumstances other than where: (i) a Property is disposed of and the Borrower elects not to use such net disposal proceeds to acquire a substitute property to place into the Portfolio; (ii) a Property or any part of a Property is compulsorily acquired or on receipt of compensation (net of tax and costs) by an Obligor under applicable planning legislation or as a result of any restriction on the use of a Property; (iii) major damage affects a Property, to the extent that the proceeds of any insurance claim received in respect of the relevant Property are greater than €50,000 and the insurance policy or relevant lease does not require the relevant PropCo to apply the insurance proceeds towards reinstatement of the affected Property, to make a prepayment in respect of the Senior Loan or the Senior Loan is declared to be due and repayable or (iv) the MHC Completion Date has not occurred by the date falling nine months after the Closing Date, then the Issuer will be obliged to redeem the Notes on the date (whether or not an Interest Payment Date) on which the relevant prepayment is made by the Borrower or principal in respect of the Senior Loan is received by the Issuer, in an aggregate principal amount equal to the principal amount of the relevant prepayment or repayment. In these circumstances, the Issuer will, prior to the enforcement of the Issuer Security, be obliged to redeem the Notes in the following order of priority;
- (i) first, to redeem the Class A Notes until the Class A Notes have been redeemed in full;
 - (ii) second, to redeem the Class B Notes until the Class B Notes have been redeemed in full;
 - (iii) third, to redeem the Class C Notes until the Class C Notes have been redeemed in full; and

- (iv) fourth, to redeem the Class D Notes until the Class D Notes have been redeemed in full.
- (d) If the Issuer is obliged to redeem the Notes under this Condition 6.3, the Issuer must redeem the relevant principal amount of each relevant Note at a redemption price equal to par.
- (e) If the Issuer receives a notice from the Borrower pursuant to the Senior Credit Agreement that the Borrower intends to prepay all of the Senior Loan on or before the next Interest Payment Date, the Issuer will or giving not more than 60 and not less than 10 days' notice thereof to the Noteholders in accordance with Condition 15 setting out the Principal Amount Outstanding of each Class of Notes which will be subject to redemption or redeem the Notes at par on any Business day, which may not be in Interest Payment Date.
- (f) The Issuer will be required to apply all funds received by it and representing principal (if any) following the purchase by the Servicer or the Special Servicer in accordance with the Servicing Agreement or the Junior Lender pursuant to the Intercreditor Agreement or otherwise by any third party in accordance with the terms of the Senior Credit Agreement of any interest in the Senior Loan, in each case pursuant to the terms of the Servicing Agreement, the Intercreditor Agreement or the Senior Credit Agreement, as applicable, to redeem the Notes in accordance with the priority of payments set out in paragraph (c) above and at the redemption price specified in paragraph (d) above.
- (g) If Replacement Notes (as defined in Condition 16.2) are to be issued, the Issuer may, having given not more than 60 nor less than 30 days' notice to the Noteholders in accordance with Condition 15, on any Interest Payment Date redeem only the relevant Class or Classes of Notes to be replaced at a price equal to par with accrued interest, provided that, prior to giving any such notice, the Issuer shall have satisfied the Trustee that it will have the funds, not subject to the interest of any other persons, required to fulfil its obligations hereunder in respect of the Notes and any amounts required under the Servicing Agreement and/or the Issuer Deed of Charge to be paid *pari passu* with, or in priority to, the Notes and shall have delivered to the Trustee a certificate signed by two directors of the Issuer stating that the Issuer will have such funds; and the trustee shall accept the certificate as sufficient evidence of the satisfaction of such condition precedent and it shall be conclusive and binding on the Noteholders.

6.4 Notice of Redemption

Any such notice as is referred to in Condition 6.2 or 6.3 above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes of the relevant class in the amounts specified in these Conditions.

6.5 Purchase

The Issuer shall not purchase any of the Notes.

6.6 Cancellation

All Notes redeemed in full will be cancelled forthwith and may not be reissued.

7. PAYMENTS

- (a) Payments of principal and interest in respect of the Notes will be made in euro against presentation of the relevant Global Notes or Definitive Notes, Receipts and/or Coupons (as the case may be) at the specified office of the Principal Paying Agent or, at the option of the holder of the relevant Global Notes or Definitive Notes (as the case may be), at the specified office of any other Paying Agent outside the United States of America. Payments of principal and interest will in each case be made by euro cheque drawn on a bank in the European Union and posted in Dublin or, at the option of the holder, by transfer to an euro-denominated account maintained by the payee with a branch of a bank in the European Union. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on the relevant Global Note by the Paying Agent to which such Global Note was presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made. Payments of principal and interest in respect of the Notes will be subject in all cases to any fiscal or other laws and regulations applicable thereto and to normal banking

practice. Upon the date on which any Definitive Note becomes due and repayable in full, all unmatured Receipts and Coupons appertaining to such Definitive Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

- (b) For so long as the Notes are in global form, none of the persons appearing from time to time in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note of the relevant Class or as being entitled to a particular principal amount of Notes shall have any claim directly against the Issuer or the Trustee in respect of payments due on such Note(s) or principal amount whilst such Note(s) is/are represented by a Global Note and the Issuer or the Trustee, as the case may be, shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note.
- (c) If payment of principal is improperly withheld or refused, or default is otherwise made in the payment thereof on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 5 and the provisions of the Trust Deed will be paid against presentation of such Note at the specified office of any Paying Agent.
- (d) If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further payments of additional amounts by way of interest, principal or otherwise. In this Condition 7(d) the expression **Payment Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of presentation and which is a Business Day.
- (e) If a Paying Agent makes a partial payment in respect of any Note presented to it for payment, such Paying Agent will endorse on the relevant Note a statement indicating the amount and date of such payment.
- (f) The initial Principal Paying Agent and the initial Irish Paying Agent and their initial specified offices are listed at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Irish Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Principal Paying Agent and also a Paying Agent with a specified office in Dublin. The Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. The Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents or their specified offices to be given in accordance with Condition 15.

8. PRESCRIPTION

Claims in respect of Notes, Receipts and Coupons shall become void unless made within 10 years, in the case of principal, and five years, in the case of interest, of the appropriate relevant date. In this Condition, the **relevant date** means the date on which a payment first becomes due or (if the full amount of the monies payable has not been duly received by the Paying Agents or the Trustee on or prior to such date) the date on which notice that the full amount of such monies has been received is duly given to the Noteholders in accordance with Condition 15.

9. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer (or any Paying Agent) is required by applicable law to make any payment in respect of the Notes subject to any withholding or deduction for, or on account of, any such taxes, duties or charges. 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 such Paying Agent will be obliged to make any additional payments to Noteholders in respect of any such withholding or deduction.

10. EVENTS OF DEFAULT

10.1 The Trustee at its absolute discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding shall, (subject in each case to its being secured and/or indemnified to its satisfaction) give notice in writing (an **Acceleration Notice**) to the Issuer declaring the Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events (each, a **Note Event of Default**):

- (a) default being made for a period of five days in the payment of any interest on or principal of any Note when and as the same ought to be paid in accordance with these Conditions provided that a deferral of interest in accordance with Condition 5.8 shall not constitute a default in the payment of such interest for the purposes of this Condition 10.1(a); or
- (b) breach by the Issuer of any representation or warranty made by it in these Conditions, the Trust Deed or any of the other Transaction Documents to which it is a party and in any such case (except where the Trustee certifies that, in its opinion, such breach is incapable of remedy, when no notice will be required), such breach continuing for a period of 30 days following the service by the Trustee on the Issuer of notice in writing requiring the same to be remedied; or
- (c) the Issuer failing duly to perform or observe any other obligation, condition or provision binding upon it under these Conditions, the Trust Deed or any of the other Transaction Documents to which it is a party and in any such case (except where the Trustee certifies that, in its opinion, such failure is incapable of remedy, when no notice will be required), such failure continuing for a period of 30 days following the service by the Trustee on the Issuer of notice in writing requiring the same to be remedied; or
- (d) the Issuer, otherwise than for the purposes of such a pre-approved amalgamation or reconstruction as is referred to in paragraph (e) below, ceasing or, through an official action of the board of directors of the Issuer, threatening to cease to carry on business (or a substantial part thereof) or the Issuer being (or being deemed to be) unable to pay its debts as and when they fall due; or
- (e) an order being made or an effective resolution being passed for the winding-up of the Issuer, except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved in writing by the Trustee or an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding; or
- (f) proceedings being initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, documents being filed with the Court for the appointment of an examiner), or a receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress or execution or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer, and such proceedings, distress, execution or process (as the case may be unless initiated by the Issuer) not being discharged or not otherwise ceasing to apply within 15 days, or the Issuer initiating or consenting to judicial proceedings relating to itself under any applicable liquidation, examinership, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally,

provided that in the case of each of the events described in subparagraphs (b), (c) and (d) of this Condition 10.1, the 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 Notes outstanding.

10.2 Upon any declaration being made by the Trustee in accordance with Condition 10.1 above that the Notes are due and repayable each Note shall thereby immediately become due and repayable at its Principal Amount Outstanding together with accrued interest as provided in the Trust Deed and the Issuer Deed of Charge (subject to the Post-Acceleration Priority of Payments).

11. ENFORCEMENT

- 11.1 The Trustee may, at its discretion and without notice at any time and from time to time, take such proceedings or other action it may think fit to enforce the provisions of the Transaction Documents to which it is a party, the Notes and Coupons, provided that, subject to Condition 11.3 below, enforcement of the Issuer Security shall be the only remedy available for the repayment of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and the payment of accrued interest (including any Deferred Interest and accrued interest thereon) and, at any time after the Issuer Security has become enforceable, take such steps as it may think fit to enforce the Issuer Security, but it shall not be bound to take any such proceedings, action or steps unless: (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding or so requested in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding for the time being of the Most Senior Class of Notes outstanding; and (b) it shall have been secured and/or indemnified to its satisfaction.
- 11.2 Subject to Condition 11.3 below, no Noteholder shall be entitled to proceed directly against the Issuer or any other party to the Transaction Documents or to enforce the Issuer Security unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing. The Trustee cannot, while any of the Notes are outstanding, be required to enforce the Issuer Security at the request of any of the Other Issuer Secured Creditors under the Issuer Deed of Charge.
- 11.3 If the net proceeds of realisation of, or enforcement with respect to, the Issuer Security are not sufficient to discharge all of the Issuer's Secured Obligations, the Issuer's other assets will not be available for payment of any arising shortfall. Any shortfall will be borne in accordance with the provisions of these Conditions and the Issuer Deed of Charge. All claims in respect of such shortfall, after realisation of or enforcement of the Issuer Security, shall be extinguished and the Trustee, the Noteholders and the other Issuer Secured Creditors will have no further claim against the Issuer in respect of such unpaid amounts. Each Noteholder, by subscribing for or purchasing Notes, as applicable, is deemed to acknowledge and accept that it is fully aware that, in the event of an enforcement of the Issuer Security: (a) its right to obtain repayment in full is limited to the Issuer Security; and (b) the Issuer will have duly and entirely fulfilled its payment obligations by making available to each Noteholder its relevant proportion of the proceeds of realisation or enforcement of the Issuer Security in accordance with these Conditions and the Issuer Deed of Charge, and all claims in respect of any shortfall will be extinguished.

12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND TRUSTEE'S DISCRETIONS

- 12.1 The Trust Deed contains provisions for convening meetings of Noteholders of any Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents or any other documents the rights and benefits of the Issuer in respect of which are comprised in the Issuer Security.
- 12.2 The quorum at any meeting of the Noteholders of any Class for passing an Extraordinary Resolution shall be one or more persons holding or representing over 50 per cent. in aggregate Principal Amount Outstanding of the Notes of the relevant Class then outstanding or, at any adjourned meeting, one or more persons being or representing the Noteholders of the relevant Class whatever the aggregate Principal Amount Outstanding of the Notes of the relevant Class so held or represented except that, at any meeting the business of which includes the sanctioning of a Basic Terms Modification (as defined below), the necessary quorum for passing an Extraordinary Resolution shall be one or more persons holding or representing not less than 75 per cent. or, at any adjourned such meeting, not less than 33 per cent. in aggregate Principal Amount Outstanding of the Notes of the relevant Class for the time being outstanding.
- 12.3 An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all the Class B Noteholders, the Class C Noteholders and the Class D Noteholders, irrespective of its 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 of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders or the Trustee is of the opinion that it would not be materially prejudicial to the

respective interests of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.

- 12.4 An Extraordinary Resolution passed at any meeting of Class B Noteholders (other than a sanctioning Extraordinary Resolution referred to above) shall not be effective unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders or the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders.
- 12.5 An Extraordinary Resolution passed at any meeting of Class B Noteholders shall be binding on all Class B Noteholders, Class C Noteholders and Class D Noteholders, irrespective of its 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 of the Class C Noteholders and the Class D Noteholders or the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders and the Class D Noteholders.
- 12.6 An Extraordinary Resolution passed at any meeting of Class C Noteholders (other than a sanctioning Extraordinary Resolution referred to above) shall not be effective unless it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders and the Class B Noteholders or the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and the Class B Noteholders.
- 12.7 An Extraordinary Resolution passed at any meeting of Class C Noteholders shall be binding on all Class C Noteholders and Class D Noteholders irrespective of its 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 the Class D Noteholders or the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders.
- 12.8 An Extraordinary Resolution passed at any meeting of Class D Noteholders (other than a sanctioning Extraordinary Resolution referred to above) shall not be effective unless it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders or the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.
- 12.9 As used in these Conditions and the Trust Deed:

- (a) **Extraordinary Resolution** means: (a) a resolution passed at a meeting of any Class of Noteholders duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of holders of not less than 90 per cent. in aggregate Principal Amount Outstanding of any Class of Noteholders, which resolution in writing 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 of that Class and shall be as valid, effective and binding as a resolution duly passed at such a meeting (and for the purposes of Conditions 4.3 and 4.4, any Notes held by, for the benefit of or on behalf of the Borrower and/or any one or more of its Affiliates will not be included in the quorum for voting purposes);

Affiliate means any company or other entity of which the Borrower is a Subsidiary, any other company or entity which is a Subsidiary of that company or entity and any Subsidiary of the Borrower;

Subsidiary means:

- (i) a Subsidiary within the meaning of Section 155 of the Companies Act, 1963 of Ireland (as amended); and
- (ii) (unless the context otherwise requires) a subsidiary undertaking within the meaning of European Communities (Companies: Group Accounts) Regulations 1992 (S.I. No 201 of 1992); and
- (b) **Basic Terms Modification** means, in respect of a Class of Notes:

- (i) a change in the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of such Notes;
- (ii) alteration of the currency in which payments under such Notes and the Coupons appertaining thereto are to be made;
- (iii) alteration of the quorum or the majority required to pass an Extraordinary Resolution;
- (iv) the sanctioning of any such scheme or proposal in respect of such Notes as is described in paragraph 18(i) of Schedule 3 to the Trust Deed (Provisions for Meeting of Noteholders);
- (v) alteration of this definition or the provisos to paragraphs 5 and/or 6 of Schedule 3 to the Trust Deed (Provisions for Meeting of Noteholders);
- (vi) alteration of the Pre-Enforcement Income Priority of Payments, the Post-Enforcement Pre-Acceleration Income Priority of Payments or the Post-Acceleration Priority of Payments; and
- (vii) alteration of the Issuer Charged Property or amendment to any of the documents relating to the Issuer Charged Property or any other provision of the Issuer Security.

12.10 The Trustee may agree, without the consent of the Noteholders, Receiptholders or the Couponholders: (a) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions, the Trust Deed or any of the other Transaction Documents, which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders; or (b) to any modification of these Conditions or any of the Transaction Documents, which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. The Trustee may also, without the consent of the Noteholders, the Receiptholders or the Couponholders, determine that any Note Event of Default shall not, or shall not subject to specified conditions, be treated as such if, in its opinion, the interests of the Noteholders will not be materially prejudiced thereby. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

12.11 The Trustee may agree, without the consent of the Noteholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed and the Notes, subject to: (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer (unless all or substantially all of the assets of the Issuer are transferred to such body corporate); (b) such body corporate being a single purpose vehicle and undertaking itself to be bound by provisions corresponding to those set out in these Conditions; (c) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced thereby; and (d) certain other conditions set out in the Trust Deed being complied with. Any such substitution shall be notified by the Issuer to the Noteholders and the Rating Agencies in accordance with Condition 15. In the case of a substitution pursuant to this Condition 12.11, the Trustee may in its absolute discretion agree, without the consent of the Noteholders, to a change of the laws governing the Notes and/or any of the Transaction Documents provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders. No such substitution shall take effect unless it applies to all the Notes then outstanding.

13. INDEMNIFICATION AND EXONERATION OF THE TRUSTEE

13.1 The Trust Deed and certain of the Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Trustee and providing for its indemnification in certain circumstances, including provisions relieving it from taking enforcement proceedings or enforcing the Issuer Security or taking any other action in relation to the Trust Deed or the other Transaction Documents unless secured and/or indemnified to its satisfaction. The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Charged Property, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of Eurohypo or any agent

or related company of Eurohypo or by clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other persons whether or not on behalf of the Trustee.

- 13.2 The Trust Deed contains provisions pursuant to which the Trustee or any of its related companies is entitled, among other things: (a) to enter into business transactions with the Issuer and/or any other person who is a party to the Transaction Documents or whose obligations are comprised in the Issuer Charged Property and/or any of their subsidiary or associated companies and to act as trustee for the holders of any other securities issued by or relating to the Issuer and/or any other person who is a party to the Transaction Documents or whose obligations are comprised in the Issuer Charged Property and/or any of their subsidiary or associated companies; (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 the Noteholders; 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.
- 13.3 The Trust Deed also relieves the Trustee of liability for not having made or not having caused to be made on its behalf the searches, investigations and enquiries which a prudent chargee would normally have been likely to make in entering into the Issuer Deed of Charge and the Security Agreement. The Trustee has no responsibility in relation to the legality, validity, sufficiency, adequacy and enforceability of the Issuer Security or the Transaction Documents. The Trustee will not be obliged to take any action which might result in its incurring personal liabilities unless secured and/or indemnified to its satisfaction or to supervise the performance by the Servicer or any other person of their obligations under the Transaction Documents and the Trustee shall assume, until it has notice in writing to the contrary, that all such persons are properly performing their duties, notwithstanding that the Issuer Security (or any part thereof) may, as a consequence, be treated as floating rather than fixed security.
- 13.4 The Trust Deed and certain of the other Transaction Documents contain other provisions limiting the responsibility, duties and liability of the Trustee.
- 13.5 The Trust Deed contains provisions pursuant to which: (a) the Trustee may retire at any time on giving not less than three months' prior written notice to the Issuer, and will be relieved of any liability incurred by reason of such retirement; and (b) the Noteholders may by Extraordinary Resolution of the holders of each Class of Notes remove the Trustee. The retirement or removal of the Trustee will not become effective until a successor trustee is appointed. The Trustee is entitled to appoint a successor trustee in the circumstances specified in the Trust Deed.

14. REPLACEMENT OF THE NOTES

14.1 Definitive Notes and Coupons

If a Definitive Note, Receipt, Coupon or Talon is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent. Replacement thereof 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 relevant Paying Agent may reasonably require. If mutilated or defaced, the Definitive Note, Receipt, Coupon or Talon must be surrendered before a new one will be issued.

14.2 Global Notes

If a Global Note is lost, stolen, mutilated, defaced or destroyed, it shall, upon satisfactory evidence of such loss, theft, mutilation, defacement or destruction being given to the Issuer and the Trustee, become void and a duly executed and authenticated replacement Global Note will be delivered by the Issuer to the Common Depositary only upon surrender, in the case of mutilation or defacement, of the relevant Global Note. Replacement thereof will only be made upon 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 Principal Paying Agent may reasonably require.

15. NOTICE TO NOTEHOLDERS

- 15.1 Any notice to the Noteholders shall be validly given if published; (a) in one leading London daily newspaper (which is expected to be the *Financial Times*) and (b) (for so long as the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require) in a leading English language newspaper having general circulation in Dublin (which is expected to be *The Irish Times*)

or, if either such newspaper shall cease to be published or timely publication therein shall not be practicable, in the opinion of the Trustee, in another appropriate newspaper or newspapers as the Trustee shall previously approve in writing having a general circulation in London or Dublin (as appropriate). Any such notice published in a newspaper as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required. If publication is not practicable in any such newspaper as is mentioned above, notice will be valid if given in such other manner, and shall be deemed to have been given on such date, as the Trustee shall determine.

- 15.2 Whilst the Notes are represented by Global Notes, notices to Noteholders may be given by delivery of the relevant notice to Clearstream, Luxembourg and/or Euroclear for communication by them to Noteholders rather than by notification as required above provided that so long as the Notes are listed on the Irish Stock Exchange, the Irish Stock Exchange so agrees. Any notice delivered to Clearstream, Luxembourg and/or Euroclear as aforesaid shall be deemed to have been given on the date of such delivery.
- 15.3 A copy of each notice given in accordance with this Condition 15 shall be provided to each of Fitch Ratings Ltd (**Fitch**) and Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P** and, together with Fitch, the **Rating Agencies**, which reference in these Conditions shall include any additional or replacement rating agency appointed by the Issuer 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.
- 15.4 The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

16. FURTHER ISSUES, REPLACEMENT NOTES AND NEW NOTES

16.1 Further Issues

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders, but subject always to the provisions of these Conditions and the Trust Deed to create and issue further Notes (the **Further Notes**) in bearer form carrying the same terms and conditions in all respects (except in relation to the issue date, the first Interest Period and the first Interest Payment Date) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the relevant Class of Notes, provided that:

- (a) the aggregate principal amount of all Further Notes to be issued on such date is in a minimum amount of €5,000,000 and integral multiples thereafter of €1,000,000;
- (b) any Further Notes are assigned the same ratings by the Rating Agencies as are then applicable to the corresponding Class of Notes then outstanding;
- (c) the Rating Agencies confirm that the ratings of each Class of Notes at that time outstanding will not be adversely affected as a result of such issue of Further Notes;
- (d) an amount equal to the aggregate principal amount of such Further Notes will be on-lent by the Issuer pursuant to the provisions of the Senior Credit Agreement;
- (e) such encumbrances necessary to maintain the then current ratings referred to in (c) above or to obtain the necessary ratings for the Further Notes are given in favour of the Trustee, the Security Agent, and/or the Issuer by (as the case may be) the Issuer, the Borrower and/or the other Obligors at the date of issue of the Further Notes (if applicable);
- (f) no Senior Loan Event of Default has occurred and is continuing or would occur as a result of such issue of Further Notes;
- (g) the Issuer's liabilities in respect of such Further Notes are hedged to the satisfaction of the Rating Agencies then rating the Notes;
- (h) no Note Event of Default has occurred and is continuing or would occur as a result of such issue of Further Notes; and

- (i) application will be made to have the Notes admitted to trading on the regulated market of the Irish Stock Exchange, or if the Notes then issued are no longer so admitted, on such exchange, if any, on which the Notes then issued are then listed.

16.2 Replacement Notes

The Issuer will also be entitled (but not obliged) at its option from time to time on any date, without the consent of the Noteholders or Couponholders, to issue notes (**Replacement Notes**), each class of which shall be required to have the same terms and conditions in all respects as the Class of Notes which it replaces except in relation to: (aa) the first Interest Period; and (bb) the rate of interest applicable to such Replacement Notes which must be a rate of interest equal to or lower than the rate of interest applicable to the Class of Notes being replaced, and shall on issue be in a principal amount which in aggregate does not exceed the aggregate Principal Amount Outstanding of the class of Notes which it replaces, *provided that* the Class or Classes of Notes to be replaced are redeemed in full in accordance with Condition 6.3(g) and the conditions to the issue of Further Notes as set out in Condition 16.1(a), (b), (c) and (e) to (i) are met, *mutatis mutandis*, in respect of such issue of Replacement Notes (as if references therein to Further Notes were to Replacement Notes) and provided further that, for the purposes of this Condition 16.2: (i) where interest in respect of the Replacement Notes or the Class of Notes being replaced is payable on a fixed rate basis, the rate of interest applicable to the Replacement Notes or, as the case may be, the Class of Notes being replaced shall be deemed to be the floating rate payable by the Issuer under any interest rate exchange agreement entered into by the Issuer in relation to the Replacement Notes or, as the case may be, the Class of Notes being replaced; and (ii) where the Replacement Notes or the Class of Notes being replaced have the benefit of a financial guarantee or similar arrangement (a **Financial Guarantee**), the guarantee fee and any other amounts payable to the provider of the Financial Guarantee, other than any such amounts the payment of which is subordinated to payments in respect of all of the Notes, (expressed as a percentage rate per annum on the principal amount of the Replacement Notes or, as the case may be, the Class of Notes being replaced) shall be added to the rate of interest applicable to the Replacement Notes or, as the case may be, the Class of Notes being replaced.

16.3 New Notes

The Issuer shall be at liberty, without the consent of the Noteholders and the Couponholders (but subject always to the provisions of the Trust Deed), to raise further funds from time to time and on any date by the creation and issue of new notes (the **New Notes**) in bearer form which may rank *pari passu* with the Class A Notes or after the Class A Notes but ahead of or *pari passu* with the Class B Notes or after the Class B Notes but ahead of or *pari passu* with the Class C Notes or after the Class C Notes but ahead of or *pari passu* with the Class D Notes or after the Class D Notes and which do not form a single series with any Class of the Notes and which may have a Financial Guarantee *provided that* the conditions to the issue of Further Notes as set out in Conditions 16.1(a) and (c) to (i) are met, *mutatis mutandis*, in respect of the issue of such New Notes as if reference therein to Further Notes were references to New Notes.

16.4 Supplemental trust deeds and security

Any such Further Notes, Replacement Notes and New Notes will be constituted by a further deed or deeds supplemental to the Trust Deed and have the benefit of the Issuer Security pursuant to the Issuer Deed of Charge as described in Condition 3.

17. RIGHTS OF THIRD PARTIES

Neither this Note nor any Coupon confers any rights on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note or any such Coupon, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

18. LIMITED RECOURSE

The ability of the Issuer to meet its obligations under the Notes will depend on payments received by it under the Senior Loan and the Liquidity Facility Agreement. In the event of non-payment, the only remedy for recovering amounts due on the Notes is through enforcement of the Issuer Security. If the Issuer Security is enforced, the proceeds of enforcement may be insufficient to

pay all principal and interest due on the Notes, and neither the Trustee nor the Noteholders may take any further steps against the Issuer in respect of amounts payable on the Notes and all such claims against the Issuer shall be extinguished and discharged.

19. NON PETITION

Only the Trustee may pursue the remedies available under applicable law, under the Issuer Deed of Charge and under the Transaction Documents to enforce the Issuer Security and no other Issuer Secured Creditors shall be entitled to enforce directly the Issuer Security, unless the Trustee having been bound to take steps and/or proceedings, fails to do so within a reasonable time and such failure is continuing.

Notwithstanding any other provision of these Conditions or any other Transaction Document, none of the parties to the Transaction Documents (other than in the case of the Issuer its shareholders or directors if required by law to do so) shall be entitled to petition or take any corporate action or other steps or legal proceedings for the winding-up, dissolution, court protection, examinership, reorganisation, liquidation, bankruptcy or insolvency of the Issuer or for the appointment of a receiver, administrator, receiver manager, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer in respect of the Issuer or any of its revenues or assets for so long as the Notes are outstanding or for two years and a day after all sums outstanding and owing in respect of the Notes have been paid in full, provided that the Trustee may enforce the Issuer Security and appoint a receiver, receiver and manager, administrative receiver or manager or an insolvency official as permitted under the terms of the Issuer Deed of Charge and/or prove or lodge a claim in a liquidation of the Issuer initiated by another party and provided further that the Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under the Issuer Deed of Charge and/or the other Transaction Documents.

None of the parties to the Transaction Documents shall 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 Transaction Document to which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

20. GOVERNING LAW

The Trust Deed, the Notes and the Coupons are governed by, and will be construed in accordance with, English law. The Issuer Deed of Charge is governed by and will be construed in accordance with Irish law (save in respect of security granted over the Issuer Accounts which will be governed by and construed in accordance with English law).

IRELAND TAXATION

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile. Prospective investors should be aware that the anticipated tax treatment in Ireland summarised below may change.

1. Taxation of the Issuer

Corporation Tax

In general, Irish companies must pay corporation tax on their income at the rate of 12.5 per cent. in relation to trading income and at the rate of 25 per cent. in relation to income that is not income from a trade. However, Section 110 of the Irish Taxes Consolidation Act of 1997 (**TCA 1997**) provides for special treatment in relation to qualifying companies. A qualifying company means a company:

- (a) which is resident in Ireland;
- (b) which either acquires qualifying assets from a person, holds or manages qualifying assets as a result of an arrangement with another person, or has entered into a legally enforceable arrangement with another person which itself constitutes a qualifying asset;
- (c) which carries on in Ireland a business of holding qualifying assets or managing qualifying assets or both;
- (d) which, apart from activities ancillary to that business, carries on no other activities in Ireland;
- (e) which has notified an authorised officer of the Revenue Commissioners in the prescribed format that it intends to be such a qualifying company; and
- (f) the market value of qualifying assets held or managed by the company or the market value of qualifying assets in respect of which the company has entered into legally enforceable arrangements is not less than €10,000,000 on the day on which the qualifying assets are first acquired, first held, or a legally enforceable arrangement in respect of the qualifying assets is entered (which is itself a qualifying asset),

but a company shall not be a qualifying company if any transaction is carried out by it otherwise than by way of a bargain made at arm's length apart from where that transaction is the payment of consideration for the use of principal (other than where that consideration is paid to certain companies within the charge of Irish corporation tax as part of a scheme of tax avoidance).

A qualifying asset is a financial asset or an interest in a financial asset.

If a company is a qualifying company for the purpose of Section 110 TCA 1997, then profits arising from its activities shall be chargeable to Corporation Tax under Case III of Schedule D (which is applicable to non-trading income) at a rate of 25 per cent. However, for that purpose those profits shall be computed in accordance with the provisions applicable to Case I of the Schedule (which is applicable to trading income). On this basis and on the basis that the interest on the Notes

- (a) does not represent more than a reasonable commercial return on the principal outstanding and it is not dependant on the results of the company's business; or
- (b) it is not paid to certain companies within the charge of Irish corporation tax as part of a scheme of tax avoidance, then

the interest in respect of the Notes issued will be deductible in determining the taxable profits of the company.

Stamp duty

If the Issuer is a qualifying company within the meaning of Section 110 TCA 1997, as amended (and it is expected that the Issuer will be such a qualifying company), no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes is used in the course of the Issuer's business.

2. Taxation of Noteholders

Income Tax

In general, persons who are resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commission to issue or raise an assessment.

Interest paid on the Notes has an Irish source and therefore interest earned on such Notes will be regarded as Irish source income. Accordingly, pursuant to general Irish tax rules, a non-Irish resident person in receipt of such income would be technically liable to Irish income tax (and levies if received by an individual) subject to the provisions of any applicable double tax treaty. Ireland has currently 42 double tax treaties in effect (see "*Withholding Taxes*" below) and the majority of them exempt interest from Irish tax when received by a resident of the other jurisdiction. Credit is available for any Irish tax withheld from income on account of the related income tax liability. Non-Irish resident companies, where the income is not attributable to a branch or agency of the company in Ireland, are subject to income tax at the standard rate. Therefore any withholding tax suffered should be equal to and in satisfaction of the full income tax liability. (Non-Irish resident companies operating in Ireland through a branch or agency of the company in Ireland to which the income is attributable would be subject to Irish corporation tax).

There is an exemption from Irish income tax under Section 198 TCA 1997 in certain circumstances.

These circumstances include:

- (a) where interest is paid by a qualifying company within the meaning of Section 110 TCA 1997 to a person that is not resident in Ireland and that person is resident in an EU Member State (other than Ireland) or is a resident of a territory with which Ireland has a double tax treaty, under the terms of that treaty;
- (b) where interest is payable by a company to a person that is not resident in Ireland and that is regarded as being resident in an EU Member State (other than Ireland) or is a resident of a territory with which Ireland has a double tax treaty, under the terms of that treaty, and the interest is exempt from withholding tax because it is payable on a quoted Eurobond (see "*Withholding Taxes*" below);
- (c) where the interest is paid by a company in the ordinary course of its trade or business and the recipient of the interest is a company that is resident in an EU Member State (other than Ireland) or that is a resident of a territory with which Ireland has a double tax treaty, under the terms of that treaty.

Interest on the Notes which does not fall within the above exemptions is within the charge to Irish income tax to the extent that a double tax treaty does not exempt the interest. However it is understood that the Irish Revenue Commissioners have, in the past, operated a practice (as a consequence of the absence of a collection mechanism rather than adopted policy) whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

- (a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or
- (b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that the Irish Revenue Commissioners will apply this practice in the case of the holders of Notes and, as mentioned above, there is a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

3. Withholding Taxes

In general, withholding tax at the rate of 20 per cent. must be deducted from payments of yearly interest that have an Irish source. However, Section 64 TCA 1997 provides for the payment of interest

in respect of quoted Eurobonds without deduction of tax in certain circumstances. A **quoted Eurobond** is defined in Section 64 TCA 1997 as a security which:

- (a) issued by a company;
- (b) is quoted on a recognised stock exchange (the Irish Stock Exchange is a recognised stock exchange for this purpose);
- (c) is in bearer form; and
- (d) carries a right to interest.

There is no obligation to withhold tax on quoted Eurobonds where:

- (a) the person by or through whom the payment is made is not in Ireland; or
- (b) the payment is made by or through a person in Ireland, and
 - (i) the quoted Eurobond is held in a recognised clearing system (the Irish Revenue Commissioners have designated Euroclear and Clearstream, Luxembourg, recognised clearing systems); or
 - (ii) person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate declaration to this effect. As the Notes to be issued by the Issuer will qualify as quoted Eurobonds, and as they will be held in Euroclear and Clearstream, Luxembourg, the payment of interest in respect of such Notes should be capable of being made without withholding tax, regardless of where the Noteholder is resident.

Separately, Section 246 TCA 1997 provides certain exemptions from this general obligation to withhold tax. Section 246 provides an exemption in respect of interest payments made by a qualifying company within the meaning of Section 110 TCA 1997 to a person resident in a relevant territory except where that person is a company and the interest is paid to the company in connection with a trade or business carried on in Ireland by that company through a branch or agency. Also Section 246 provides an exemption in respect of interest payments made by a company in the ordinary course of business carried on by it to a company resident in a relevant territory except where the interest is paid to the company in connection with a trade or business carried on in Ireland by that company through a branch or agency. A relevant territory for this purpose is a Member State of the European Communities, other than Ireland, or not being such a Member State, a territory with which Ireland has entered into a double tax treaty that is in effect. As of the Closing Date, Ireland has entered into a double tax treaty with each of Australia, Austria, Belgium, Bulgaria, Canada, China, Chile (signed but not yet in effect), Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Israel, India, Italy, Japan, Korea (Rep. of), Latvia, Lithuania, Luxembourg, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Romania, Russia, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, U.S.A. and Zambia. New treaties with Argentina, Egypt, Kuwait, Malta, Morocco, Singapore, Tunisia, Turkey and Ukraine are in the course of being negotiated.

Discounts realised on the Notes will not be subject to Irish withholding Tax.

4. Encashment Tax

Interest on any Note which qualifies for exemption from withholding tax on interest as a quoted Eurobond (see above) realised or collected by an agent in Ireland (other than the Irish Paying Agent) on behalf of any Noteholder will be subject to a withholding at the standard rate of Irish income tax (currently 20 per cent.). This is unless the beneficial owner of the Note that is entitled to the interest is not resident in Ireland and makes a declaration in the required form. This is provided that such interest is not deemed, under the provisions of Irish tax legislation, to be the income of another person that is resident in Ireland.

5. Capital Gains Tax

A holder of a Note will not be subject to Irish taxes on capital gains provided that such holder is neither resident nor ordinarily resident in Ireland and such holder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent representative to which or to whom the Notes are attributable.

6. Capital Acquisitions Tax

If the Notes are comprised in a gift or inheritance taken from an Irish resident or ordinarily resident disponent or if the disponent's successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situate in Ireland, the disponent's successor (primarily), or the disponent, may be liable to Irish capital acquisitions tax. The Notes, being bearer Notes, would be regarded as property situate in Ireland if at the time of disposition of the Notes were physically kept or located in Ireland with a depository or otherwise. Accordingly, if, while they are physically kept or located in Ireland, such Notes are comprised in a gift or inheritance, the disponent's successor (primarily), or the disponent, may be liable to Irish capital acquisitions tax, even though the disponent may not be domiciled in Ireland. For the purposes of capital acquisitions tax, under current legislation a non-Irish domiciled person will not be treated as resident or ordinarily resident in Ireland for the purposes of the applicable legislation except where that person has been resident in Ireland for the purposes of Irish tax for the five consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls.

7. Value Added Tax

The provision of financial services is an exempt transaction for Irish Value Added Tax (**VAT**) purposes. Accordingly, in general the Issuer should not be entitled to recover Irish VAT suffered.

8. EU Directive on the Taxation of Savings Income

On 3 June, 2003, the European Council of Economics and Finance Ministers adopted EU Directive 2003/48/EC on the Taxation of Savings Income. Under this Directive Member States are required, since 1 July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

The Directive has been enacted into Irish legislation. Since 1 January 2004, where any person in the course of a business or profession carried on in Ireland makes an interest payment to, or secures an interest payment for the immediate benefit of, the beneficial owner of that interest, where that beneficial owner is an individual, that person must, in accordance with the methods prescribed in the legislation, establish the identity and residence of that beneficial owner. Where such a person makes such a payment to a "residual entity" then that interest payment is a "deemed interest payment" of the "residual entity" for the purpose of this legislation. A "residual entity", in relation to "deemed interest payments", must, in accordance with the methods prescribed in the legislation, establish the identity and residence of the beneficial owners of the interest payments received that are comprised in the "deemed interest payments".

Residual Entity means a person or undertaking established in Ireland or in another Member State or in an "associated territory" to which an interest payment is made for the benefit of a beneficial owner that is an individual, unless that person or undertaking is within the charge to corporation tax or a tax corresponding to corporation tax, or it has, in the prescribed format for the purposes of this legislation, elected to be treated in the same manner as an undertaking for collective investment in transferable securities within the meaning of the UCITS Directive 85/611/EEC, or it is such an entity or it is an equivalent entity established in an "associated territory", or it is a legal person (not being an individual) other than certain Finnish or Swedish legal persons that are excluded from the exemption from this definition in the Directive.

Procedures relating to the reporting of details of payments of interest (or similar income) made by any person in the course of a business or profession carried on in Ireland, to beneficial owners that are individuals or to residual entities resident in another Member State or an "associated territory" and procedures relating to the reporting of details of deemed interest payments made by residual entities where the beneficial owner is an individual resident in another member state or an "associated territory", apply since 1 July 2005. For the purposes of these paragraphs **Associated Territory** means Aruba, Netherlands Antilles, Jersey, Guernsey, Isle of Man, Anguilla, British Virgin Islands, Cayman Islands, Montserrat, Gibraltar, Andorra, Liechtenstein, Monaco, San Marino, the Swiss Confederation and Turks and Caicos Islands.

SUBSCRIPTION AND SALE

Morgan Stanley & Co. International Limited whose registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA (in its capacities as **Lead Manager** and **Sole Bookrunner**), pursuant to a subscription agreement dated 2 February 2006 (the **Subscription Agreement**), between the Lead Manager and Sole Bookrunner, J&E Davy, whose registered office is at Davy House, 49 Dawson Street, Dublin 2 (the **Manager**), the Issuer and Eurohypo, has agreed, subject to certain conditions, to subscribe and pay for the Class A Notes at 100 per cent. of the initial principal amount of such Notes, the Class B Notes at 100 per cent. of the initial principal amount of such Notes, the Class C Notes at 100 per cent. of the initial principal amount of such Notes and the Class D Notes at 100 per cent. of the initial principal amount of such Notes.

The Issuer has agreed to reimburse or procure the reimbursement of the Lead Manager and Sole Bookrunner and the Manager for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement is subject to a number of conditions and may be terminated by the Lead Manager and Sole Bookrunner in certain circumstances prior to payment to the Issuer. The Issuer has agreed to indemnify the Lead Manager and Sole Bookrunner and the Manager against certain liabilities in connection with the offer and sale of the Notes.

In addition, the Issuer will be obliged under an arrangement fee letter dated on or before the Closing Date to pay an arrangement fee (the **Arrangement Fee**) to the Note Arranger.

United States of America

Each of the Lead Manager and Sole Bookrunner and the Manager has represented and agreed with the Issuer that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from transactions not subject to the registration requirements of the Securities Act and applicable state laws. Each of the Lead Manager and Sole Bookrunner and the Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date (for the purposes only of this section "*Subscription and Sale*", the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, U.S. Persons and that it will have sent to each distributor, dealer or other person to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. Persons. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

In addition, until 40 days after the later of the date of the commencement of the offering of the Notes and the Closing Date, an offer or sale of the Notes within the United States by a dealer, whether or not participating in the offering, may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

United Kingdom

Each of the Lead Manager and Sole Bookrunner and the Manager has represented and agreed that:

- (a) 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; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

Ireland

Each of the Lead Manager and Sole Bookrunner and the Manager has represented and agreed that:

- (a) it has complied and will comply with all applicable provisions of the Investment Intermediaries Acts, 1995 to 2000 of Ireland (as amended) with respect to anything done by it in relation to the Notes or operating in, or otherwise involving, Ireland and, in the case of the Lead Manager and Sole Bookrunner acting under and within the terms of an authorisation to do so for the purposes of EU Council Directive 93/22/EEC of 10 May 1993 (as amended), it has complied with any codes of conduct made under the Investment Intermediaries Acts, 1995 to 2000 of Ireland (as amended), in the case of the Lead Manager and Sole Bookrunner acting within the terms of an authorisation granted to it for the purposes of EU Council Directive 2000/12/EC of 20 March 2000 (as amended), it has complied with any codes of conduct or practice made under Section 117(1) of the Central Bank Act, 1989 of Ireland (as amended);
- (b) it has not and will not offer or sell any Notes other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 of Ireland; and
- (c) 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 such Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

The Netherlands

Each of the Lead Manager and Sole Bookrunner and the Manager has represented and agreed that this Offering Circular may not be distributed and the Notes (including rights representing an interest in any Global Note) may not be offered, sold, transferred or delivered as part of their initial distribution or at any time thereafter, directly or indirectly, to individuals or legal entities who or which are established, domiciled or have their residence in The Netherlands (**Dutch Residents**) other than to the following entities (referred to as **Professional Market Parties** or **PMPs**) provided they acquire the Notes for their own account and trade or invest in securities in the conduct of a business or profession:

- (a) banks, insurance companies, securities firms, investment institutions and pension funds that are (i) supervised or licensed under Dutch law or (ii) established and acting under supervision in a European Union member state (other than the Netherlands), Hungary, Monaco, Poland, Puerto Rico, Saudi Arabia, Slovakia, Czech Republic, Turkey, South Korea, the United States of America, Japan, Australia, Canada, Mexico, New Zealand or Switzerland;
- (b) investment institutions which are exempted pursuant to the Exemption Regulation to the Dutch Act on the Supervision of Investment Institutions 1991;
- (c) the State of the Netherlands, the Dutch Central Bank, a foreign central government body, a foreign central bank, Dutch regional and local governments and comparable foreign decentralised government bodies, international treaty organisations and supranational organisations;
- (d) enterprises or entities with total assets of at least €500,000,000 (or the equivalent thereof in another currency) as per the balance sheet as of the year end preceding the obtaining of the repayable funds;
- (e) enterprises, entities or individuals with net assets of at least €10,000,000 (or the equivalent thereof in another currency) as of the year end preceding the obtaining of the repayable funds who or which have been active in the financial markets on average twice a month over a period of at least two consecutive years preceding the obtaining of the repayable funds;
- (f) subsidiaries of the entities referred to under (a) above provided such subsidiaries are subject to supervision; and
- (g) a professional market party within the meaning of Article 1a section 3 of the Exemption Regulation to the Dutch Act on the Supervision of Securities Transactions 1995.

All Notes (whether or not offered to Dutch Residents) shall bear the following legend:

"THIS NOTE (OR ANY INTEREST HEREIN) MAY NOT BE SOLD, TRANSFERRED OR DELIVERED TO INDIVIDUALS OR LEGAL ENTITIES WHO ARE ESTABLISHED, DOMICILED OR HAVE THEIR RESIDENCE IN THE NETHERLANDS (**DUTCH RESIDENTS**) OTHER THAN TO PROFESSIONAL

MARKET PARTIES (**PMPs**) WITHIN THE MEANING OF THE EXEMPTION REGULATION UNDER THE DUTCH ACT ON THE SUPERVISION OF CREDIT INSTITUTIONS 1992 (AS AMENDED).

EACH DUTCH RESIDENT BY PURCHASING THIS NOTE (OR ANY INTEREST HEREIN), WILL BE DEEMED TO HAVE REPRESENTED AND AGREED FOR THE BENEFIT OF THE ISSUER THAT IT IS A PMP AND IS ACQUIRING THIS NOTE (OR ANY INTEREST THEREIN) FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER PMP.

EACH HOLDER OF THIS NOTE (OR ANY INTEREST HEREIN), BY PURCHASING SUCH NOTE (OR ANY SUCH INTEREST), WILL BE DEEMED TO HAVE REPRESENTED AND AGREED FOR THE BENEFIT OF THE ISSUER THAT (1) SUCH NOTE (OR ANY INTEREST THEREIN) MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY DUTCH RESIDENTS OTHER THAN TO A PMP ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER PMP AND THAT (2) THE HOLDER WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS DESCRIBED HEREIN TO ANY SUBSEQUENT TRANSFEREE."

France

Each of the Issuer, the Lead Manager and Sole Bookrunner and the Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly, or indirectly the Notes to the public in France and offers and sales of the Notes in France will be made only to qualified investors (*investisseurs qualifiés*) acting for their account as defined in and in accordance with Articles L.411-1 and L.411-2 of the French *Code Monétaire et Financier* and decree no. 98-880 dated 1 October 1998.

In addition, each of the Lead Manager and Sole Bookrunner and the Manager has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Offering Circular or any other offering material relating to the Notes other than to investors to whom offers and sales of the Notes in France may be made as described above and that this Offering Circular has not been submitted for approval (*visa*) by the *Autorité des Marchés Financiers* and does not constitute a public offer for sale or subscription of securities in France. The Notes may only be issued or sold, directly or indirectly, to the public in France in accordance with Articles L.412-1 and L.621-8 of the French *Code Monétaire et Financier*.

Germany

Each of the Lead Manager and Sole Bookrunner and the Manager has agreed to comply with the following selling restrictions applicable to The Federal Republic of Germany.

Pursuant to the Subscription Agreement, each of the Lead Manager and Sole Bookrunner and the Manager has agreed that they shall not offer or sell the Notes in the Federal Republic of Germany in such a manner as to result in the Issuer being subject to licence requirements under the German Banking Act or being subject to regulation under the Germany Investment Act and other than in compliance with the restrictions contained in the German Securities Sales Prospectus Act (*Wertpapier-Vekaufsprospektgesetz*) (before and until (but excluding) the date on which the Prospectus Directive is implemented in the Federal Republic of Germany) and as of that day in compliance with the restrictions contained in the German Securities Prospectus Act (*Wertpapierprospektgesetz*), the German Investment Act (*Investmentgesetz*), respectively, and any other laws and regulations applicable in the Federal Republic of Germany governing the issue, the offering and the sale of securities.

The Notes may neither be nor intended to be distributed by way of public offering, public advertisement or in a similar manner within the meaning of Section 1 of the German Securities Sales Prospectus Act and Sections 1, 2 (11) of the German Investment Act nor shall the distribution of this Prospectus or any other document relating to the Notes constitute such public offer. In addition, the Lead Manager and Sole Bookrunner and the Manager have agreed that they have offered, sold or advertised and that they will offer, sell or advertise the Notes only to permitted Institutional Investors (Institutional Investors) within the meaning of the leaflet of the German Federal Financial Supervisory Agency (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) dated April 2005 in the Federal Republic of Germany and this Prospectus may not be passed on to any other person or entity in the Federal Republic of Germany. Furthermore, each subsequent transferee/purchaser of the Notes will be deemed to represent that if it is a person or entity in the Federal Republic of Germany it is an Institutional Investor and to agree not to offer sell or advertise the Notes to any person or entity in the Federal Republic of Germany who is not an Institutional Investor. The distribution of the Notes has not been notified and the Notes are not registered or authorised for public distribution in the Federal Republic of Germany Financial Supervisory Agency.

Prospective German Investors in the Notes are urged to seek independent tax advice and to consult their professional advisers as to the legal and tax consequences that may arise from the application of the German Investment Tax Act to the Notes and neither the Issuer (nor the Initial Purchaser) accepts any responsibility in respect of the German tax position of the Notes.

General

Other than the approval by the Financial Regulator in Ireland of this Offering Circular as a prospectus in accordance with the requirements of the Prospectus Directive and relevant 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 regulated market of the Irish Stock Exchange and delivery of this document to the Registrar of Companies in Ireland for registration in accordance with the regulations implementing the Prospectus Directive in Ireland, no action is being taken by the Issuer or the Lead Manager and Sole Bookrunner or by the Manager in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Offering Circular does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, advertisement, form of application or other material in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each of the Lead Manager and Sole Bookrunner and the Manager has undertaken not to offer or sell, directly or indirectly, any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

GENERAL INFORMATION

1. The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on 1 February 2006.
2. It is expected that admission of the Notes to the Official List of the Irish Stock Exchange will be granted on or about 15 February 2006, subject only to the issue of the Global Notes. The admission of the Notes will be cancelled if the Global Notes are not issued. Transactions will normally be effected for settlement in sterling and for delivery on the third working day after the day of the transaction. The estimated cost of the application for admission to the Official List and admission to trading on the Irish Stock Exchange's market for listed securities is €6,000.
3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

| | Common Code | ISIN |
|---------------|-------------|--------------|
| Class A | 024193144 | XS0241931442 |
| Class B | 024193462 | XS0241934628 |
| Class C | 024193519 | XS0241935195 |
| Class D | 024193560 | XS0241935609 |

4. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. So long as the Notes are admitted to the Official List of the Irish Stock Exchange, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Paying Agent in Dublin. The Issuer does not publish interim accounts.
5. 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) which may have, or have had, since the date of its incorporation, a significant effect on the Issuer's financial position.
6. The Borrower is not, and has not been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since the date of its incorporation, a significant effect on the Borrower's financial position.
7. Since the date of its incorporation, the Issuer has entered into the Subscription Agreement, being a contract entered into other than in its ordinary course of business.
8. DTZ (the Valuer) has given and not withdrawn its written consent to the issue of this Offering Circular and the inclusion of its report and references to its name in the form and context in which they are included and has authorised the contents of that part of this Offering Circular for the purposes of section 45 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland.
9. Arup has given and not withdrawn its consent to the issue of this Offering Circular and to references to its name and its reports in the form and context in which they are included and has authorised the contents of this Offering Circular for the purposes of Section 45 of the Investments Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland.
10. Save as disclosed herein, since 28 November 2005 (being the date of incorporation of the Issuer), there has been (a) no material adverse change in the financial position or prospects of the Issuer and (b) no significant change in the trading or financial position of the Issuer.
11. Save as disclosed herein, since 10 January 2006 (being the date of incorporation of the Borrower), there has been (a) no material adverse change in the financial position or prospects of the Borrower and (b) no significant change in the trading or financial position of the Borrower.
12. The Issuer Deed of Charge, the Trust Deed and the Security Documents will provide that the Trustee and the Security Agent (as applicable) may rely on reports or other information from professional advisers or other experts in accordance with the Issuer Deed of Charge, the Trust Deed and the Security Agreement (as applicable), whether or not such report or other information, engagement letter or other document entered into by the Trustee or the Senior Facility Agent (as

applicable) and the relevant professional advisor or expert in connection therewith contains any limit on the liability of that relevant professional advisor or expert.

12. Copies of the following documents may be physically inspected during usual business hours on any week day (excluding Saturdays, Sundays, and public holidays) at the offices of the Issuer at Trinity House, Charleston Road, Ranelagh, Dublin 4 and at the specified offices of the Irish Paying Agent in Dublin whilst any Note remains outstanding:
- (a) the Memorandum and Articles of Association of the Issuer and the Borrower;
 - (b) the Subscription Agreement referred to in paragraph 7 above; and
 - (c) drafts (subject to modification) of the following documents (together with the Subscription Agreement, the **Transaction Documents**):
 - (i) the Trust Deed;
 - (ii) the Senior Credit Agreement;
 - (iii) the Intercreditor Agreement;
 - (iv) the Senior Hedging Arrangements;
 - (v) the Security Agreement;
 - (vi) the Property Management Outsourcing Agreement;
 - (vii) the Obligor Corporate Services Agreement;
 - (viii) the Obligor Account Bank Agreement;
 - (ix) the Borrower Transaction Account Bank Agreement;
 - (x) the Collection Account Trust Agreements;
 - (xi) the Intermediate Parent Mortgage of Shares;
 - (xii) the CMH Mortgage of Shares;
 - (xiii) Related Security;
 - (xiv) the Option Agreement;
 - (xv) Option Exercise Deed;
 - (xvi) the Option Share Trust Deed;
 - (xvii) the Option Corporate Services Agreement;
 - (xviii) the Option Issuer Loan Agreement;
 - (xix) the Option Mortgage of Shares;
 - (xx) the Option GrantCo Mortgage of Shares
 - (xxi) the Option Security Agreement
 - (xxii) the Issuer Deed of Charge;
 - (xxiii) the Servicing Agreement;
 - (xxiv) the Issuer Account Bank Agreement;
 - (xxv) the Issuer Corporate Services Agreement;
 - (xxvi) the Issuer Share Trust Deed;
 - (xxvii) the Nominee Declaration of Trust;
 - (xxviii) the Liquidity Facility Agreement;
 - (xxix) the Agency Agreement; and
 - (xxx) the Master Definitions Schedule.

DESCRIPTION OF THE PROPERTIES, THE PROPCOS AND THE PROPHOLDCOS

| Property | Old PropCo | PropCo | PropHoldCo |
|--|---------------------------------------|---|---|
| Stillorgan Shopping Centre, Stillorgan, Co. Dublin | Myrmidon (PropCo) Limited | Myrmidon CMBS (PropCo) Limited | Myrmidon CMBS (PropCo) Investments Limited |
| Baggot Buildings, Baggot Street and Fleming House, Fleming Lane, Dublin 4 | Pewley (PropCo) Limited | Pewley CMBS (PropCo) Limited | Pewley CMBS (PropCo) Investments Limited |
| 16 Westmoreland Street, Dublin 2 | Westmoreland Property Company Limited | Westmoreland Property Company CMBS (PropCo) Limited | Westmoreland Property Company CMBS (PropCo) Investments Limited |
| Basement and ground floor, 18 Fleet Street, Dublin 2 | Tandoori Rooms Limited | Tandoori Rooms CMBS (PropCo) Limited | Tandoori Rooms CMBS (PropCo) Investments Limited |
| 35 Henry Street, Dublin 1 | Trobatch Limited | Trobatch CMBS (PropCo) Limited | Trobatch CMBS (PropCo) Investments Limited |
| The Mason Hayes + Curran Building, 35/36 Barrow Street, Grand Canal Dock, Dublin 2 | Candourity Limited | Candourity CMBS (PropCo) I Limited | Candourity CMBS (PropCo) I Investments Limited |
| Blocks A, B, C and D Russell Court, St. Stephen's Green South, Dublin 2 | Marske (PropCo) Limited | Marske CMBS (PropCo) Limited | Marske CMBS (PropCo) Investments Limited |
| 40/42 Mespil Road, Ballsbridge, Dublin 4 | Bracadale Limited | Bracadale CMBS (PropCo) Limited | Bracadale CMBS (PropCo) Investments Limited |
| Store A, Merchants Quay Shopping Centre, Cork (Marks & Spencer) | Achnasheen (PropCo) Limited | Achnasheen CMBS (PropCo) Limited | Achnasheen CMBS (PropCo) Investments Limited |
| 41 St Stephen's Green, Dublin 2 | Hartsley Limited | Hartsley CMBS (PropCo) Limited | Hartsley CMBS (PropCo) Investments Limited |
| Crescent Hall, Mount Street Crescent, Dublin 2 | Whimble Limited | Whimble CMBS (PropCo) Limited | Whimble CMBS (PropCo) Investments Limited |
| Charlemont House, Charlemont Place, Dublin 2 | Cragthorn Limited | Cragthorn CMBS (PropCo) Limited | Cragthorn CMBS (PropCo) Investments Limited |
| The Warehouse, 35 Barrow Street, Grand Canal Docks, Dublin 4 | Candourity Limited | Candourity CMBS (PropCo) II Limited | Candourity CMBS (PropCo) II Investments Limited |
| Ground floor and basement, 3 College Green, Dublin 2 | Bobbio Limited | Bobbio CMBS (PropCo) Limited | Bobbio CMBS (PropCo) Investments Limited |

INDEX OF DEFINED TERMS

| | |
|---|-------------|
| € | 3 |
| Euro | 3 |
| euro | 3 |
| Acceleration Notice | 129 |
| Account Bank | 13 |
| Accountholder | 115 |
| Additional Expenses | 16 |
| Adjusted Available Issuer Income | 93 |
| Affiliate | 131 |
| Agency Agreement | 97, 113 |
| Agent Bank | 13, 113 |
| Appraisal Reduction Event | 94 |
| Arrangement Fee | 141 |
| Associated Territory | 140 |
| Assumption | 58 |
| Available Issuer Income | 93 |
| Basic Terms Modification | 131 |
| Borrower | 5, 10, 113 |
| Borrower Account Bank | 14 |
| Borrower Accounts | 86 |
| Borrower Eligible Bank | 83 |
| Borrower Loans | 10 |
| Borrower Post-Event of Default Priority of Payments | 90 |
| Borrower Pre-Event of Default Priority of Payments | 87 |
| Borrower Transaction Account Bank Agreement | 84 |
| Business Day | 25, 122 |
| CAA 1990 | 43 |
| Calculation Date | 103 |
| Centre of Main Interests | 70 |
| Certificate of Title | 58 |
| Certificates of Title | 64 |
| Certification | 114 |
| CGT | 31 |
| Class A Notes | 1, 113 |
| Class A Shares | 11, 85 |
| Class B Notes | 1, 113 |
| Class B Shares | 11, 85 |
| Class C Notes | 1, 113 |
| Class D Notes | 1, 113 |
| Class of Notes | 114 |
| Classes | 114 |
| Clearstream, Luxembourg | 1, 114 |
| Closing Date | 1, 113 |
| CMH | 11, 56, 125 |
| CMH Mortgage of Shares | 19, 82 |
| Collection Account | 83 |
| Collection Account Bank | 84 |
| Collection Account Banks | 84 |
| Collection Account Trust Agreement | 84 |
| Collection Account Trust Agreements | 84 |
| Common Depositary | 114 |
| Condition | 3 |
| Conditions | 114 |
| Controlling Party | 106, 120 |
| corrected | 105 |
| Couponholders | 113 |
| Coupons | 115 |

| | |
|--|----------|
| Court..... | 43 |
| CSA Account | 90 |
| Cubette | 6, 13 |
| Deasy's Act..... | 34 |
| Definitive Notes..... | 115 |
| Deposit Account | 89 |
| Developer..... | 67, 125 |
| Disposals Account..... | 89 |
| Distribution Compliance Period | 141 |
| Document | 78 |
| DTZ..... | 57 |
| Dutch Residents | 142 |
| Duty of Care Agreement..... | 19, 83 |
| Duty of Care Agreements | 19, 83 |
| Eligible Bank..... | 84 |
| Eligible Investments | 94 |
| escrow account | 79 |
| Establishment | 70 |
| EURIBOR..... | 1 |
| EURIBOR Screen Rate | 122 |
| Euroclear..... | 1, 114 |
| Eurohypo | 2, 12 |
| European Union Insolvency Regulation | 42 |
| Excepted Assets..... | 26 |
| Excess Senior Debt | 78 |
| Exchange Date | 114 |
| Excluded Class..... | 106, 121 |
| Exercise Price | 85 |
| Extraordinary Resolution..... | 131 |
| Final Maturity Date..... | 1, 124 |
| Final Payment | 85 |
| Finance Document..... | 15 |
| Finance Documents..... | 15 |
| Finance Party..... | 17 |
| Financial Guarantee | 135 |
| Financial Regulator in Ireland | 1 |
| Fitch..... | 1, 134 |
| Framework..... | 42 |
| Funding Agreement | 87 |
| Further Notes..... | 24, 134 |
| General Account | 87 |
| Global Note..... | 114 |
| Global Notes..... | 1 |
| Grace Period..... | 78 |
| Guarantee | 18 |
| Hedge Counterparties..... | 14 |
| Hedge Counterparty | 14 |
| Hedging Arrangements | 31 |
| holder of Notes..... | 115 |
| IFRS..... | 44 |
| Income Deficiency | 93 |
| Income Deficiency Drawing | 93 |
| Initial Price | 85 |
| Insurance Policies..... | 37 |
| Insurance Policy | 37 |
| Intercreditor Agreement..... | 6, 78 |
| Interest Cover | 89 |
| Interest Cover Test | 72 |
| Interest Determination Date | 121 |
| Interest Payment..... | 121 |

| | |
|---|----------------|
| Interest Payment Date | 1, 16, 25, 121 |
| Interest Period | 16, 121 |
| Intermediate Parent | 12 |
| Intermediate Parent Mortgage of Shares..... | 19, 81 |
| Irish GAAP | 44 |
| Irish Paying Agent..... | 13, 113 |
| Irish Stock Exchange..... | 1 |
| Issuer | 1, 10, 113 |
| Issuer Account Bank Agreement | 97 |
| Issuer Accounts | 97 |
| Issuer Charged Property..... | 116 |
| Issuer Corporate Services Agreement..... | 14, 98 |
| Issuer Corporate Services Provider | 14 |
| Issuer Deed of Charge..... | 26, 95, 113 |
| Issuer Expenses Amount | 16 |
| Issuer Margin | 16 |
| Issuer Principal Account | 97 |
| Issuer Revenue Account..... | 97 |
| Issuer Secured Creditors | 26, 95, 117 |
| Issuer Secured Obligations..... | 95 |
| Issuer Security | 7, 26, 96, 116 |
| Issuer Share Capital Proceeds Account..... | 97 |
| Issuer Share Trust Deed..... | 14 |
| Issuer Share Trustee..... | 14 |
| Issuer's Costs | 16 |
| Junior Credit Agreement..... | 10, 77 |
| Junior Creditor | 78 |
| Junior Cure Loan | 77 |
| Junior Debt | 78 |
| Junior Facility Agent | 10 |
| Junior Finance Document..... | 15 |
| Junior Finance Documents | 15 |
| Junior Hedge Counterparties..... | 14 |
| Junior Hedge Counterparty | 14 |
| Junior Lender..... | 5, 10 |
| Junior Loan..... | 6, 10, 77 |
| Junior Loan Event of Default | 80 |
| Lead Manager..... | 141 |
| Liquidation Fee | 105 |
| Liquidity Bank | 14 |
| Liquidity Facility Agreement..... | 93 |
| Liquidity Facility Commitment..... | 93 |
| Liquidity Stand-by Drawing | 94 |
| Liquidity Subordinated Amounts..... | 95 |
| Loan Arranger | 13 |
| Loan Default | 69 |
| Loan Event of Default | 17 |
| Loan Maturity Date | 16 |
| Loan Security..... | 6 |
| Majority Lenders | 17 |
| Management Debt | 78 |
| ManagementCo | 13 |
| Managing Agent..... | 6, 83 |
| Managing Agent Account | 83 |
| Managing Agents..... | 6, 83 |
| Margin..... | 25 |
| Market Value..... | 57 |
| Master Definitions Schedule | 114 |
| Material Adverse Effect..... | 17 |
| Material Loan Default..... | 78 |

| | |
|---|-------------|
| MHC Building..... | 30 |
| MHC Completion Date | 10, 125 |
| MHC Development Agreement | 52, 67, 125 |
| MHC Guarantors..... | 52 |
| MHC Tenant | 52 |
| Most Senior Class of Notes..... | 114 |
| New Notes | 24, 135 |
| Note | 1, 113 |
| Note Arranger | 13 |
| Note Event of Default | 129 |
| Noteholder | 115 |
| Noteholders | 113, 115 |
| Notes | 1, 113 |
| Obligor | 6 |
| Obligor Account Bank Agreement..... | 14, 83 |
| Obligor Corporate Services Agreement..... | 13, 83 |
| Obligor Secured Creditors | 18 |
| Obligor Secured Obligations..... | 6 |
| Obligor Security | 18 |
| Obligor Transaction Document..... | 6 |
| Obligor Transaction Documents | 6 |
| Obligors | 6 |
| Offering Circular..... | 1 |
| Official List..... | 1 |
| Old PropCo..... | 11 |
| Old PropCos | 11 |
| Operating Adviser | 107, 121 |
| Option | 12, 85 |
| Option Agreement..... | 6, 12, 85 |
| Option Corporate Services Agreement..... | 14, 86 |
| Option Exercise Deed..... | 6, 12, 85 |
| Option GrantCo | 12 |
| Option GrantCo Mortgage of Shares..... | 19, 86 |
| Option HoldCo..... | 12 |
| Option Issuer Loan Agreement..... | 86 |
| Option Mortgage of Shares | 19, 86 |
| Option Price..... | 85 |
| Option Security Agreement..... | 19, 86 |
| Option Share Trust Deed..... | 14 |
| Option Share Trustee..... | 14 |
| OptionCo | 12 |
| Options | 12, 85 |
| Options Corporate Services Provider | 14 |
| Original Senior Lender | 10 |
| Other Issuer Secured Creditors | 117 |
| owner..... | 32 |
| Paying Agents..... | 13, 113 |
| Payment Day | 128 |
| Permanent Global Note | 1, 114 |
| Permitted Corporate Service Costs..... | 89 |
| Permitted Operating Costs | 89 |
| PMPs | 142-143 |
| Portfolio | 5, 22 |
| Post-Acceleration Priority of Payments | 99 |
| Post-Enforcement Pre-Acceleration Income Priority of Payments | 99 |
| Pre-Enforcement Income Priority of Payments..... | 98 |
| Prepayment Expenses..... | 17 |
| Principal Amount Outstanding | 24, 124 |
| Principal Paying Agent..... | 13, 113 |
| Priority Amounts | 98 |

| | |
|---|-----------|
| Professional Market Parties | 142 |
| PropCo | 11 |
| PropCo Debt..... | 78 |
| PropCo Loan | 5, 10, 77 |
| PropCo Loan Agreement | 5, 77 |
| PropCo Loans..... | 5, 10, 77 |
| PropCos..... | 11 |
| Properties | 56 |
| Property | 5 |
| Property Agent Agreement | 21 |
| Property Agent Agreements | 21 |
| Property Management Agreement..... | 83 |
| Property Management Outsourcing Agreement | 13, 82 |
| PropHoldCo | 11 |
| PropHoldCo Shares | 85 |
| PropHoldCos | 11 |
| Prospectus..... | 1 |
| Prospectus Directive..... | 1 |
| PS | 57 |
| quoted Eurobond..... | 139 |
| Rate of Interest | 121 |
| Rating Agencies..... | 1, 134 |
| Rating Agency | 1 |
| Receiptholders..... | 113 |
| Receipts..... | 115 |
| Red Book..... | 57 |
| referable tax..... | 32 |
| Reference Banks | 122 |
| Regulation S | 1 |
| Related Security | 20 |
| Release Price..... | 74-75 |
| relevant date | 128 |
| Remediable Default | 78 |
| Remedy Notice | 78 |
| Rent Account..... | 87 |
| Rental Income..... | 5 |
| Replacement Notes | 24, 135 |
| Requisite Rating..... | 94 |
| Residual Entity | 140 |
| S&P | 1, 134 |
| Scheme of Arrangement | 43 |
| Section 2 Examinership | 43 |
| Section 4 Examinership | 43 |
| Securities Act..... | 1, 141 |
| Security Agreement | 18, 81 |
| Security Document | 20 |
| Security Documents | 20 |
| Senior Allocated Loan Amount | 75 |
| Senior Credit Agreement | 5, 10 |
| Senior Creditor..... | 78 |
| Senior Debt..... | 78 |
| Senior Facility Agent..... | 13 |
| Senior Hedge Counterparties | 14 |
| Senior Hedge Counterparty | 14 |
| Senior Hedge Counterparty Rating Event..... | 68 |
| Senior Hedging Arrangements..... | 15, 67 |
| Senior Hedging Loan | 68 |
| Senior Lender | 10 |
| Senior Lenders..... | 6 |
| Senior Loan | 5, 10 |

| | |
|------------------------------------|-------------|
| Senior Loan Tranche..... | 5 |
| Senior Loan Tranches..... | 5 |
| Senior Release Price..... | 75 |
| Servicer..... | 13 |
| Servicing Agreement..... | 101 |
| Servicing Fee | 105 |
| Servicing Standard | 101 |
| Servicing Termination Event | 106 |
| Sole Bookrunner | 141 |
| Special Servicer | 13 |
| Special Servicing Event | 102 |
| Special Servicing Fee | 105 |
| specially serviced | 101 |
| Standard Expense Amount..... | 16 |
| Stock Exchange..... | 123 |
| Subordinated Creditors..... | 82 |
| Subordinated Guarantee..... | 22, 77 |
| Subordinated Lender | 10 |
| Subordinated Lenders | 10 |
| Subordinated Loan | 5, 10, 82 |
| Subordinated Loan Agreement..... | 5, 10, 82 |
| Subordinated Loan Agreements | 5, 10, 82 |
| Subordinated Loans | 5, 10, 82 |
| Subordination Deed..... | 19, 82 |
| Subordination Deeds | 19 |
| Subscription Agreement | 141 |
| Subsidiary | 131 |
| Talons | 115 |
| TARGET Business Day | 122 |
| Tax Deed of Covenant..... | 84 |
| TCA 1997..... | 137 |
| Temporary Global Note | 1, 114 |
| Tranche A Senior Loan | 5 |
| Tranche B Senior Loan..... | 5 |
| Tranche C Senior Loan..... | 5 |
| Tranche D Senior Loan..... | 5 |
| Transaction Documents..... | 146 |
| Trigger Event | 85 |
| Trust Deed | 22, 95, 113 |
| Trustee..... | 13, 113 |
| UKPS | 57 |
| Valuation Date | 22 |
| Valuation Report | 57 |
| Valuation Reports | 37 |
| Valuer..... | 22, 50 |
| VAT | 140 |
| Workout Fee | 105 |
| Works | 73, 71 |

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