INDUS (ECLIPSE 2007-1) plc

(incorporated with limited liability in England and Wales with registration number 6056094)

£894,530,000 Commercial Mortgage Backed Floating Rate Notes due 2020

INDUS (ECLIPSE 2007-1) plc (the **Issuer**) will issue the £729,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due January 2020 (the **Class A Notes**), the £100,000 Class X Commercial Mortgage Backed Notes due January 2020 (the **Class X Notes**), the £48,000,000 Class B Commercial Mortgage Backed Floating Rate Notes due January 2020 (the **Class B Notes**), the £54,000,000 Class C Commercial Mortgage Backed Floating Rate Notes due January 2020 (the **Class C Notes**), the £53,500,000 Class D Commercial Mortgage Backed Floating Rate Notes due January 2020 (the **Class D Notes**) and the £9,930,000 Class E Commercial Mortgage Backed Floating Rate Notes due January 2020 (the **Class E Notes** and, together with the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes and the Class D Notes, the **Notes**) on 12 April 2007 (or such later date as the Issuer may agree with Barclays Bank PLC (the **Arranger**) and Barclays Bank PLC (the **Lead Manager**) (the **Closing Date**)).

Application has been made to the Irish Financial Services Regulatory Authority (**IFSRA**), as competent authority under Directive 2003/71/EC (the **Prospectus Directive**) for the Prospectus to be approved. Application has been made to the Irish Stock Exchange Limited (the **Irish Stock Exchange**) for the Notes to be admitted to the Official List and trading on its regulated market. This document constitutes the prospectus (the **Prospectus**) in connection with the application for the Notes to be admitted to the Official List of the Irish Stock Exchange.

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**), Moody's Investors Service Limited (**Moody's**), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (**S&P**) and DBRS (Europe) Limited (**DBRS** and, together with Fitch, Moody's and S&P, the **Rating Agencies**). **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 address only 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). The ratings from the Rating Agencies do not address the likelihood of receipt by any Noteholder of principal on any date prior to the Final Maturity Date.

			Anticipated Ratings							
Class	**Initial Principal Amount**	**Margin (% p.a.)**	**Fitch**	**Moody's**	**S&P**	**DBRS**	**Estimated Average Life[1]**	**Expected Maturity Date[1]**	**Final Maturity Date**	**Issue Price**
Class A	£729,000,000	0.17	AAA	Aaa	AAA	AAA	5.86 years	January 2017	January 2020	100%
Class X	£100,000	Variable[2]	AAA	Aaa	AAA	AAA	7.84 years	January 2017	January 2020	100%
Class B	£48,000,000	0.25	AA	Aa2	AA	AA	7.35 years	January 2017	January 2020	100%
Class C	£54,000,000	0.46	A	NR	A	A	7.35 years	January 2017	January 2020	100%
Class D	£53,500,000	0.79	BBB	NR	BBB	BBB	7.35 years	January 2017	January 2020	100%
Class E	£9,930,000	2.90[3]	BB	NR	BB	BB	8.65 years	January 2017	January 2020	100%

1. Based on 0% CPR and the further assumptions set out in *Estimated Average Lives of the Notes and Assumptions*, to which investors should refer.

2. The interest component of the Class X Note is the Class X Interest Rate. In addition, the Class X Notes will be entitled to Class X Additional Amounts.

3. Interest on the Class E Notes is subject to the Class E Available Funds Cap.

Interest on the Notes will be payable quarterly in arrear in pounds sterling on 25 January, 25 April, 25 July and 25 October in each year (subject to adjustment for non-Business Days as described herein) (each, an **Interest Payment Date**). The first Interest Payment Date will be the Interest Payment Date falling in April 2007. The interest rate applicable to each Class of Notes (other than the Class X Notes) from time to time will be determined by reference to the London Interbank Offered Rate for three-month sterling deposits (or, in the case of the first Interest Period, the interest rate for two week sterling deposits) (**LIBOR**), as further defined in **Condition 4.3** (Rates of Interest) plus the relevant Margin. Each Margin will be as set out in the table above. Interest on the Class X Notes will be payable in arrears at the Class X Interest Rate. In addition, the Class X Noteholders will be entitled to receive Class X Additional Amounts. **The ratings from the Rating Agencies do not address the likelihood of receipt by any Class X Noteholder of any Class X Additional Amounts**.

If any withholding or deduction for or on account of tax is required by law in relation to the Notes, the 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 Prospectus. The Class X Notes will additionally have the benefit of security over the amounts standing to the credit of the Class X Principal Account (as defined below). Notes of each Class will rank *pari passu* with, and without priority among, 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 2020 (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 Principal Amount Outstanding of the then outstanding most junior class of Notes may be written down on any Interest Payment Date following an Adjusted Loan Principal Loss (as defined below) in accordance with **Condition 5.8** (Principal Amount Outstanding and Write-Downs).

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER RELEVANT JURISDICTION. THE ISSUER HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**).

THE NOTES MAY BE OFFERED AND SOLD ONLY (A) WITHIN THE UNITED STATES OR TO A U.S. PERSON (A **U.S. PERSON** AS DEFINED IN REGULATION S OF THE SECURITIES ACT (**REGULATION S**)) IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**) ONLY TO PERSONS THAT ARE **QUALIFIED INSTITUTIONAL BUYERS** (EACH A **QUALIFIED INSTITUTIONAL BUYER** OR **QIB**) WITHIN THE MEANING OF RULE 144A, ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB AND THAT ARE ALSO QUALIFIED PURCHASERS (EACH A **QUALIFIED PURCHASER** OR **QP**) WITHIN THE MEANING OF SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES THEREUNDER AND (B) OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S. FOR FURTHER INFORMATION ABOUT CERTAIN RESTRICTIONS ON RESALES OR TRANSFERS, SEE *TRANSFER RESTRICTIONS*.

THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DOCUMENT NOR ANY PART HEREOF NOR ANY OTHER OFFERING CIRCULAR, PROSPECTUS, FORM OF APPLICATION, ADVERTISEMENT, OTHER OFFERING MATERIAL OR OTHER INFORMATION MAY BE ISSUED, DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION (INCLUDING THE UNITED KINGDOM), EXCEPT IN CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ALL APPLICABLE LAWS, ORDERS, RULES AND REGULATIONS.

Arrange r, Lead Manager and Sole Bookrunner

BARCLAYS CAPITAL

Co-Manager **Danske Bank A/S**

Co-Manager **Banco Pastor S.A.**

The date of this Prospectus is 4 April 2007

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, THE FINANCE PARTIES (OTHER THAN THE ISSUER), THE ARRANGER, THE LEAD MANAGER, THE SELLER, THE MASTER SERVICER, THE SPECIAL SERVICER, THE TRUSTEE, THE CASH MANAGER, THE CORPORATE SERVICES PROVIDER, THE SHARE TRUSTEE, THE PAYING AGENTS, THE AGENT BANK, THE LIQUIDITY FACILITY PROVIDER, THE INTEREST RATE SWAP PROVIDER OR THE ACCOUNT BANK (AS EACH TERM IS DEFINED IN THIS PROSPECTUS) OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY OF THEM.

The Reg S Global Notes and the Rule 144A Global Notes (collectively, the **Global Notes**) will be deposited with or to the order of The Bank of New York (Luxembourg) S.A. as the book-entry depositary (the **Depositary**) on or about the Closing Date pursuant to a depositary agreement (the **Depositary Agreement**) expected to be dated on or about the Closing Date between the Issuer, the Depositary and BNY Corporate Trustee Services Limited (in such capacity, the **Trustee**).

The Depositary will issue a certificated depositary interest (each, a **CDI**) in respect of each Global Note to The Bank of New York, as common depositary (in this capacity, the **Common Depositary**) for Euroclear Bank S.A./N.V. (**Euroclear**), and also Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). The Depositary, acting as agent of the Issuer, will maintain a book-entry system in which it will register the Common Depositary as owner of the CDIs. Transfers of all or any portion of the interest in the Global Note may be made only through the book-entry system maintained by the Depositary. Each of Euroclear and Clearstream, Luxembourg will record the beneficial interests in the CDIs attributable to the relevant Global Notes (**Book-Entry Interests**). Book-Entry Interests in the CDIs will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear or Clearstream, Luxembourg, and their respective participants. Except in the limited circumstances described under *Form of the Notes – Issuance of Definitive Notes,* the Notes will not be available in definitive form (**Definitive Notes**). Definitive Notes will be issued in registered form only.

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.

The Issuer (as **Responsible Person** for the purposes of the Prospectus Directive) accepts responsibility for all information contained in this Prospectus. To the best of the knowledge and belief of the Issuer, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Borrower, Guarantor or Chargor (each, an **Obligor** and together, the **Obligors**), as to the accuracy or completeness of any information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution. The Obligors have not separately verified the information contained herein and no representation, warranty or undertaking, express or implied, is made and no liability accepted by any of the Obligors as to the accuracy or completeness of such information. Each person receiving the Prospectus acknowledges that such person has not relied on any Obligor or their affiliates in connection with its investigation of the information contained in this Prospectus.

No person is or has been authorised to give any information or to make any representation in connection with the issue and sale of the Notes other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, any Obligor (or any companies in the same group of companies as, or

affiliated to, any Obligor), the Finance Parties (other than the Issuer), the Arranger, the Lead Manager, the Seller, the Master Servicer, the Special Servicer, the Trustee, the Cash Manager, the Liquidity Facility Provider, the Corporate Services Provider, the Share Trustee, the Paying Agents, the Agent Bank, the Interest Rate Swap Provider or the Account Bank or any of their respective affiliates or advisers. Neither the delivery of this Prospectus nor any sale, allotment or solicitation made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer, any of the Obligors (or any companies in the same group of companies as, or affiliated to, any of the Obligors) 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.

This Prospectus and any other information supplied in connection with the Notes are not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger, the Lead Manager, or any person that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Other than the approval by the IFSRA of this Prospectus as a prospectus in accordance with the requirements of the Prospectus Directive, no action has been or will be taken to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer and the Lead 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 Prospectus, see *Subscription and Sale* below.

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

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF ANY RULE 144A NOTES (AS DEFINED HEREIN) MAY BE RELYING ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A AND AN EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT AND NO TRANSFER OF A RULE 144A NOTE MAY BE MADE WHICH WOULD CAUSE THE ISSUER TO BECOME SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE INVESTMENT COMPANY ACT.

EACH PURCHASER OF NOTES OFFERED HEREBY WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS AS SET FORTH HEREIN UNDER *TRANSFER RESTRICTIONS* AND *U.S. ERISA CONSIDERATIONS*, RESPECTIVELY. THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN UNDER *TRANSFER RESTRICTIONS* AND *ERISA CONSIDERATIONS*.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE **SEC**), ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

THE CLASS E AND CLASS X NOTES ARE NOT DESIGNED FOR, AND MAY NOT BE PURCHASED OR HELD BY, ANY "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), WHICH IS SUBJECT THERETO), OR ANY "PLAN" (AS DEFINED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), WHICH IS SUBJECT THERETO) (COLLECTIVELY, THE **PLANS**), OR BY ANY PERSON ANY OF THE ASSETS OF WHICH ARE, OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE TO BE, ASSETS OF SUCH EMPLOYEE BENEFIT PLAN OR PLAN (THE **PLAN ASSET ENTITY**), AND EACH PURCHASER OF A CLASS E AND CLASS X NOTE WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT IT IS NOT, AND FOR SO LONG AS IT HOLDS A CLASS E AND CLASS X NOTE WILL NOT BE, SUCH PLAN OR PLAN ASSET ENTITY. THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES MAY ONLY BE PURCHASED BY OR TRANSFERRED TO A PLAN OR PLAN ASSET ENTITY SUBJECT TO THE CONDITIONS SET FORTH IN THE *U.S. ERISA CONSIDERATIONS* SECTION.

AVAILABLE INFORMATION

The Issuer has agreed that, for so long as any of the Rule 144A Notes are restricted securities within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is not subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available upon request to any holder or beneficial owner of such restricted securities or to any prospective purchaser designated by such holder or beneficial owner of such restricted securities in order to permit compliance by such holder or beneficial owner with Rule 144A in connection with the resale of such restricted securities or any interest therein the information required to be delivered under Rule 144A(d)(4) under the Securities Act.

ENFORCEABILITY OF JUDGMENTS

The Issuer is a company incorporated with limited liability in England and Wales. All of the directors of the Issuer currently reside in England and Wales. As a result, it may not be possible to effect service of process within the United States upon such persons to enforce against them judgments of courts of the United States predicated upon the civil liability provisions of the federal or state securities laws of the United States. There is doubt as to the enforceability in Ireland, in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon such securities laws.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER RSA CHAPTER 421-B OF THE STATE OF NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE

MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

OFFEREE ACKNOWLEDGEMENTS

Each person receiving this Offering Circular, by acceptance hereof, hereby acknowledges that:

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

The obligations of the parties to the transactions contemplated herein are set forth in and will be governed by certain documents described herein, and all of the statements and information contained herein are qualified in their entirety by reference to such documents.

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

FORWARD-LOOKING STATEMENTS

Certain matters contained herein are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements appear in a number of places in this Offering Circular, including with respect to assumptions on prepayment and certain other characteristics of the Loans and the Notes (each as defined below), and reflect significant assumptions and subjective judgments by the Issuer that may or may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and changes in governmental regulations, fiscal policy, planning or tax laws in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future

performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Lead Manager has not attempted to verify any such statements, nor does it make any representation, express or implied, with respect thereto.

All references in this document to **Sterling**, **Pounds**, **Pounds Sterling** or **£** are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland and to **euros** or **€** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty of Rome of 25 March 1957 establishing the European Community, as amended from time to time.

In connection with this issue of the Notes, Barclays Bank PLC (in this capacity, the *Stabilising Manager*) or any person acting on behalf of the Stabilising Manager may over-allot Notes (provided that, in the case of any Notes to be listed on the Irish Stock Exchange, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount 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 on behalf of the Stabilising Manager 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 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. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

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PRINCIPAL CHARACTERISTICS OF THE NOTES

The following is a brief overview of the principal characteristics of the Notes referred to in this Prospectus. This information is subject to, and is more fully explained in, the other sections of this Prospectus.

Notes	**Class A**	**Class X**	**Class B**	**Class C**	**Class D**	**Class E**
Initial Principal Amount	£729,000,000	£100,000	£48,000,000	£54,000,000	£53,500,000	£9,930,000
Issue price	100%	100%	100%	100%	100%	100%
Interest Rate	LIBOR + 0.17% per annum	Variable[1]	LIBOR + 0.25% per annum	LIBOR + 0.46% per annum	LIBOR + 0.79% per annum	LIBOR + 2.90% per annum[2]
Expected Maturity Date[3]	January 2017	January 2017	January 2017	January 2017	January 2017	January 2017
Final Maturity Date	January 2020	January 2020	January 2020	January 2020	January 2020	January 2020
Estimated average life (years)[3]	5.86	7.84	7.35	7.35	7.35	8.65
Day count	Actual/365					
Business day convention/ Business Days	Modified following/London, Dublin business days					
Interest Payment Dates	Quarterly on 25 January, 25 April, 25 July and 25 October					
Form of Notes	A Rule 144A Global Note in immobilised bearer form and a Reg S Global Note in immobilised bearer form.	A Reg S Global Note in immobilised bearer form.	A Rule 144A Global Note in immobilised bearer form and a Reg S Global Note in immobilised bearer form.	A Rule 144A Global Note in immobilised bearer form and a Reg S Global Note in immobilised bearer form.	A Rule 144A Global Note in immobilised bearer form and a Reg S Global Note in immobilised bearer form.	A Rule 144A Global Note in immobilised bearer form and a Reg S Global Note in immobilised bearer form.
Denomination[4]	£50,000 but tradable in nominal amounts of £50,000 and higher integral multiples of £1,000 in excess thereof					
Registrar	The Bank of New York					
Clearing system	Euroclear and Clearstream, Luxembourg					
Depositary	The Bank of New York (Luxembourg) S.A.					
Credit enhancement (provided by other Classes of Notes subordinated to the relevant Class)	Subordination of the Class X Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes	Subordination of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes	Subordination of the Class C Notes, the Class D Notes and the Class E Notes	Subordination of the Class D Notes and the Class E Notes	Subordination of the Class E Notes	No Subordination
Listing	Irish Stock Exchange					
ISIN (Reg S Notes)	XS0294756449	XS0294756878	XS0294757173	XS0294757256	XS0294757504	XS0294757686
ISIN (Rule 144A Notes)	XS0294758064	XS0294758494	XS0294758650	XS0294759112	XS0294759203	XS0294759542
Common Code (Reg S Notes)	29475644	29475687	29475717	29475725	29475750	29475768

[1] The interest component of the Class X Notes is the Class X Interest Rate. In addition, the Class X Notes will be entitled to receive Class X Additional Amounts.

[2] Interest on the Class E Notes is subject to the Class E Available Funds Cap.

[3] Based on 0% CPR and the further assumptions set out in "*Estimated Average Lives of the Notes and Assumptions*", to which investors should refer.

[4] See further **Condition 1.2** (Trading in differing nominal amounts) for certain restrictions in respect of holdings not in a multiple of £50,000 in nominal amount.

Notes	Class A	Class X	Class B	Class C	Class D	Class E
Common Code (Rule 144A Notes)	29475806	29475849	29475865	29475911	29475920	29475954
Expected rating – Fitch	AAA	AAA	AA	A	BBB	BB
Expected rating - Moody's	Aaa	Aaa	Aa2	NR	NR	NR
Expected rating - S&P	AAA	AAA	AA	A	BBB	BB
Expected rating – DBRS	AAA	AAA	AA	A	BBB	BB

TRANSACTION SUMMARY

The following information is a summary of the principal features of the issue of the Notes. This summary does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus. Prospective purchasers of the Notes are advised to read carefully, and to rely solely on, the detailed information appearing elsewhere in this Prospectus 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 Prospectus, unless otherwise stated. An index of defined terms is set out at the end of this Prospectus.

On the Closing Date the Issuer will issue the Notes and with the proceeds of such issuance (other than in respect of the Class X Notes) will acquire from Barclays Bank PLC (the **Seller**), pursuant to the terms of a loan sale agreement to be entered into between them on or prior to the Closing Date (the **Loan Sale Agreement**) and a novation certificate in respect of each Loan (each such certificate, a **Transfer Certificate** and together, the **Transfer Certificates**, and together with the Loan Sale Agreement, the **Loan Sale Documents**), the following:

(a) the Loans (as defined below);

(b) the Seller's interests as beneficiary of the security trusts (each, a **Security Trust** and together, the **Security Trusts**) created over the various security interests granted in respect of each Loan (in respect of each Loan, the **Related Security** and in respect of the Loan Pool (as defined below), the **Loan Security**); and

(c) the rights of the Seller as lender under the Finance Documents (as defined below) (including, without limitation, under the credit agreement pursuant to which each Loan was originated (each, a **Credit Agreement** and together, the **Credit Agreements**) and the Intercreditor Agreements (as defined below), the Agora Max Intercreditor Agreement (as defined below) and the G-res 1 Portfolio Intercreditor Agreement (as defined below)).

The Issuer will use receipts of principal and interest (excluding, for the avoidance of doubt, any Prepayment Fees and Break Costs) in respect of the Loan Pool, together with certain other funds available to it (as described elsewhere in this Prospectus) to make payments of, among other things, principal and interest due in respect of the Notes.

The Loan Pool will consist of 19 Loans:

(1) the Adelphi Loans;

(2) the Criterion Loan;

(3) the G-res 1 Portfolio Loan;

(4) the Nos 2 & 3 Portfolio Loan;

(5) the Greater London Portfolio Loans;

(6) the Agora Max Portfolio Loan;

(7) the Lloyds Portfolio Loan;

(8) the Workspace Portfolio Loan;

(9) the Pitch 2 Portfolio Loan;

(10) the Grafton Estate Portfolio Loan;

(11) the Sol Central Loan;

(12) the Gullwing Portfolio Loan;

(13) the Snowhill Loan;

(14) the Wakefield Europort Loan;

(15) the Forster Hall Loan;

(16) the Alba Gate Portfolio Loan;

(17) the St. George Portfolio Loan;

(18) the Amsterdam Place Loan; and

(19) the Apex Loan,

(the **Loans**, each a **Loan** and together, the **Loan Pool**).

The Loans are made to different borrowers (each, a **Borrower** and, together, the **Borrowers** and, in respect of each specific Loan, the **Relevant Borrower**) and, as at 19 February (the **Cut-Off Date**), the Loans had an aggregate outstanding principal balance, together with the undrawn portion of the Adelphi Revolver Loan and the GLP Revolver Loan, of £894,431,744. Each Loan is governed by English law. All of the Loans (other than the Adelphi Loans, the Agora Max Portfolio Loan, the Greater London Portfolio Loans, the G-res 1 Portfolio Loan and the Criterion Loan) provide for the Relevant Borrower to pay a fixed rate of interest. The Adelphi Loans, the Agora Max Portfolio Loan, the G-res 1 Portfolio Loan, the Greater London Portfolio Loans and the Criterion Loan provide for the Relevant Borrower to pay a floating rate of interest. Each Loan is denominated in sterling and constitutes a full recourse obligation (other than the Agora Max Portfolio Loan, the Workspace Portfolio Loan, the Pitch 2 Portfolio Loan, the Alba Gate Portfolio Loan and the Wakefield Europort Loan) of the Relevant Borrower. In the case of the Agora Max Portfolio Loan, the Workspace Portfolio Loan, the Pitch 2 Portfolio Loan, the Alba Gate Portfolio Loan and the Wakefield Europort Loan, recourse is limited to the relevant Obligor's interest in the relevant Properties and the other Related Security.

Each Loan is secured by, among other things, a first ranking legal mortgage or charge and, in the case of the Scottish Properties, standard security over commercial property situated in the United Kingdom. The Related Security granted in respect of each Loan is granted by the Relevant Borrower or, in the case of certain Loans, by one or more entities related to the Relevant Borrower (each, a **Chargor** and, together with the Borrowers, the **Obligors** and each, an **Obligor**). In relation to a Loan, the obligations of the Relevant Borrower may be guaranteed by one or more third parties (each, a **Guarantor** and together, the **Guarantors**).

The Adelphi Loans represent a senior term loan facility (the **Adelphi Senior Loan**) and a revolving rent liquidity facility to be used to make payments to top-up shortfalls in the rent account under both the Adelphi Senior Loan and the Junior Adelphi Loan (as defined below) (the **Adelphi Revolver Loan** and, together with the Adelphi Senior Loan, the **Adelphi Loans**). Both facilities under the Adelphi Loans have been separated from a junior loan facility (the **Junior Adelphi Loan**). The Junior Adelphi Loan, the Adelphi Revolver Loan and the Adelphi Senior Loan are together referred to

as the **Adelphi Whole Loan**. Both facilities under the Adelphi Loans and the Junior Adelphi Loan are made to the Adelphi Borrower and are secured on the same Properties and other related Loan Security. The maximum commitment under the Adelphi Revolver Loan, which will rank senior to the Adelphi Senior Loan, is £1,000,000. The Adelphi Revolver Loan may only be drawn four times during its lifetime and may not be drawn on two consecutive Loan Interest Payment Dates. The facility in respect of the Adelphi Revolver Loan will be cancelled once all four drawings have been made. On the Closing Date both the Adelphi Senior Loan and the Adelphi Revolver Loan will be acquired by the Issuer and included in the Loan Pool. As at the date of this Prospectus, no amount has been drawn under the Adelphi Revolver Loan. Payments due under the Adelphi Revolver Loan are required to be paid before any payments under the Adelphi Senior Loan or the Junior Adelphi Loan. Any drawings made under the Adelphi Revolver Loan must be repaid by the Loan Maturity Date in respect of the Adelphi Senior Loan.

The Criterion Loan (as defined below) represents the senior tranche of a whole loan (the **Criterion Whole Loan** and, together with the Adelphi Whole Loan, the **Whole Loans**). The Criterion Whole Loan also has a junior tranche (the **Junior Criterion Loan**, and, together with the Junior Adelphi Loan, the **Junior Loans**). The Junior Loans will not be acquired by the Issuer on the Closing Date but will instead be retained by the Seller or acquired by one or more third party investors (the **Junior Lenders** and each a **Junior Lender**).

The outstanding principal balance, together with the undrawn portion of the Adelphi Revolver Loan, as at the Cut-Off Date of the Adelphi Loans was £215,622,248 and of the Criterion Loan was £126,000,000. The Adelphi Loans and the Criterion Loan will each be acquired by the Issuer on the Closing Date. All references in this Prospectus to the Adelphi Loans and the Criterion Loan (including all financial information with respect to such Loans including LTV, ICR and DSCR calculations) are to the senior facility of the Adelphi Whole Loan (assuming all available drawings have been made under the Adelphi Revolver Loan) and to the senior tranche of the Criterion Whole Loan as applicable, unless stated otherwise. For more information on the Adelphi Loans and the Criterion Loan, see *The Loans and the Loan Security – Description of the Loans and Related Properties – Adelphi Loans/Criterion Loan* below.

The Agora Max Portfolio Loan as defined (below) represents a one-third interest in a senior A tranche (the **Agora Max Senior A Loan**) of a whole loan (the **Agora Max Whole Loan**). The remainder of the Agora Max Senior A Loan is held by one or more third party lenders (the **Agora Max Existing Senior A Lenders**). The Agora Max Whole Loan also has a senior B tranche (the **Agora Max Senior B Loan**) held by one or more third party Lenders (the **Agora Max Senior B Lenders**) and a Junior Loan (the **Agora Max Junior Loan**), held by one or more further third party lenders (the **Agora Max Junior Lender**). The Agora Max Whole Loan was originated by the Governor and Company of The Bank of Scotland (**HBOS**) on 7 March 2006 and the Agora Max Portfolio Loan was purchased by the Seller on 10 August 2006.

The Agora Max Senior B Lenders and the Agora Max Junior Lender are subordinated to the lenders of the Agora Max Senior A Loan under the Agora Max Intercreditor Agreement. Pursuant to a transfer certificate, the Issuer will, on the Closing Date, acquire from the Seller the Agora Max Portfolio Loan. On the Closing Date, the Issuer will accede to the Agora Max Intercreditor Agreement. The outstanding principal balance as at the Cut-Off Date of the Agora Max Portfolio Loan was £68,315,000. All references in this Prospectus to the Agora Max Portfolio Loan (including all financial information with respect to such Loan including LTV, ICR and DSCR calculations) are to the one third interest in the Agora Max Senior A Loan unless stated otherwise. For more information on the Agora Max Portfolio Loan see *The Loans and the Loan Security – Description of the Loans and Related Properties – Agora Max Portfolio Loan* below.

The Greater London Portfolio Loans represent a term loan (the **GLP Term Loan**) used to finance the purchase of the Greater London Properties and a revolving loan (the **GLP Revolver Loan** and, together with the GLP Term Loan, the **Greater London Portfolio Loans**) to be used to make certain approved capital expenditure arising in respect of the Greater London Properties under a revolving credit facility (the **GLP Revolving Credit Facility**). Both Greater London Portfolio Loans are made to the Greater London Borrowers and are secured on the same Properties and other related Loan Security. The maximum commitment under the GLP Revolving Credit Facility is £1,000,000 (which may be reduced in certain circumstances). On the Closing Date both the GLP Term Loan and the GLP Revolver Loan will be acquired by the Issuer and included in the Loan Pool. As at the date of this Prospectus no amount has been drawn under the GLP Revolver Loan. All references in this Prospectus to the Greater London Portfolio Loans are to the GLP Term Loan and the GLP Revolver Loan, unless stated otherwise. For more information on the Greater London Portfolio Loans see *The Loans and Loan Security – Description of Loan and Related Properties – Greater London Portfolio Loans* below.

As at the Cut-Off Date, there were a total of 366 properties constituting security for the Loans (the **Properties**, each a **Property** and together, the **Portfolio**). The Loan Security is held on trust by Barclays Capital Mortgage Servicing Limited or Barclays Bank PLC or, in the case of the Agora Max Portfolio Loan, HBOS (each in its capacity as **Security Agent** and, where the context so requires, the **Relevant Security Agent**) on behalf of the Finance Parties (which, after the Closing Date, will include the Issuer as set out below). Barclays Capital Mortgage Servicing Limited and Barclays Bank PLC, each in its capacity as Security Agent, will, pursuant to the terms of the Servicing Agreement, delegate its duties and discretions as Security Agent to the Master Servicer and the Special Servicer under the Servicing Agreement. HBOS, in its capacity as Security Agent, will not delegate its duties and discretions as Security Agent in respect of the Agora Max Portfolio Loan to the Master Servicer and the Special Servicer but is expected to continue to perform its functions as Security Agent. In respect of the Agora Max Portfolio Loan, the rights and powers of the Master Servicer and the Special Servicer will be limited to directing HBOS, as Security Agent, subject to and in accordance with the Agora Max Intercreditor Agreement.

The Properties are all substantially let to tenants (the **Tenants**), in the majority of cases under occupational leases (each an **Occupational Lease** and, together with any other lease granted in respect of the Properties, the **Leases**). The Tenants under the Occupational Leases make periodic rental payments in respect of the Properties. The terms of the Credit Agreements relating to the Loans require that each Relevant Borrower establishes, among other accounts, a rent account (each a **Rent Account** and, together with the other accounts of the Borrowers, the **Borrower Accounts**, each of which, a **Borrower Account**) into which net rents payable by the Tenants are to be paid, either directly or indirectly. Following the acquisition of the Loan Pool by the Issuer pursuant to the Loan Sale Documents, on or shortly after each payment date under each Credit Agreement (each a **Loan Interest Payment Date**), the Master Servicer will (other than in respect of the Agora Max Portfolio Loan), as agent for the Issuer or the Relevant Security Agent, transfer (to the extent funds are available for such purpose) all amounts then due to the Issuer under such Credit Agreement and in accordance with the terms of the relevant Intercreditor Agreement and the Agora Max Intercreditor Deed, as applicable (such amounts, collectively, the **Collections**), from each Borrower Account directly or indirectly, as the case may be, to a specified account with the Account Bank in the name of the Issuer (the **Transaction Account**).

Prior to each Calculation Date, the Master Servicer (if applicable, acting on the basis of information provided by the Special Servicer or, in the case of the Agora Max Portfolio Loan, on the basis of information provided by HBOS, as necessary) will identify both the amount of Collections and the extent to which such Collections are principal amounts (including any scheduled principal and any principal paid upon final redemption and/or prepayment of a Loan), interest amounts, Prepayment Fees, Break Costs, costs and other amounts. The Cash Manager (on behalf of the Issuer) will on each

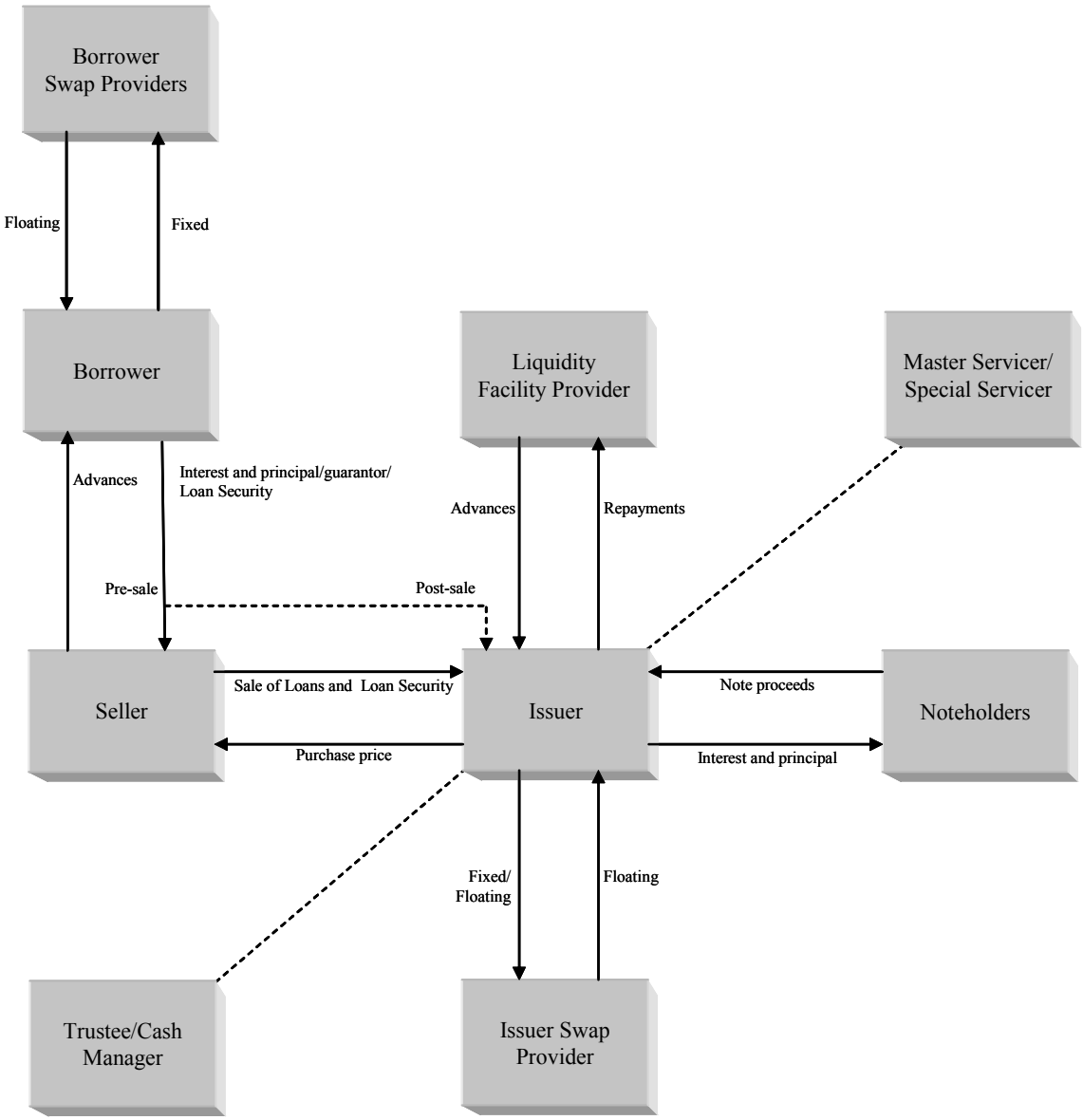
Interest Payment Date, after payment of those obligations of the Issuer having a higher priority under the relevant Priority of Payments, apply these Collections (other than Prepayment Fees which will be paid to the Class X Noteholders only as Class X Additional Amounts and Break Costs which will be paid in accordance with the Break Costs Priority of Payments and certain other funds available to the Issuer as described elsewhere in this Prospectus) in payment of, among other things, interest and principal due on the Notes and, where applicable, Class X Additional Amounts due to the Class X Noteholders.

With a view to protecting the Issuer against interest rate mismatches arising as a result of certain Borrowers paying fixed rates of interest on certain of the Loans and the Issuer being required to pay floating rates of interest on the Notes (other than the Class X Notes) and as a result of different interest periods applicable under the Loans and the Notes, the Issuer will enter into interest rate swap transactions in respect of each Loan with the Interest Rate Swap Provider.

As security for its obligations under (among other things) the Notes, the Issuer will grant fixed and floating security interests over all its assets and undertaking (which comprises, primarily, its rights in respect of the Loans and the Loan 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 pursuant to the Issuer Deed of Charge and the Trust Deed. The priority of the claims of the Issuer Secured Creditors will be subject to the relevant Priority of Payments set out in the Cash Management Agreement. See *Cashflows* and *Terms and Conditions of the Notes* below. In addition, amounts standing to the credit of the Class X Principal Account will be applied solely in redemption of the Class X Notes.

There is no intention to accumulate any surplus funds in the Issuer as security for any future payments of interest and principal on the Notes.

TRANSACTION STRUCTURE DIAGRAM



KEY TRANSACTION PARTIES

Issuer:	INDUS (ECLIPSE 2007-1) plc (the **Issuer**) is a public company incorporated in England and Wales with limited liability. The Issuer's company registration number is 6056094 and its registered office is at 35 Great St. Helen's, London EC3A 6AP. The entire issued share capital of the Issuer is held by or on behalf of SFM Corporate Services Limited on trust for charitable purposes.
Seller:	Barclays Bank PLC (in this capacity, the **Seller**) is a public company incorporated in England and Wales with limited liability under registered number 1026167. Its registered office is 1 Churchill Place, London E14 5HP.
Security Agent:	In respect of the Loans other than the Agora Max Portfolio Loan, either Barclays Capital Mortgage Servicing Limited or Barclays Bank PLC and, in respect of the Agora Max Portfolio Loan, HBOS, each as trustee under the terms of the relevant Security Agreements and as agent of the Lenders (in these capacities, each a **Security Agent** and, as the context so requires, the **Relevant Security Agent**) holds all the Loan Security granted by the Obligors in respect of the Relevant Borrower's obligations under each relevant Loan on trust for the Finance Parties. Barclays Capital Mortgage Servicing Limited and Barclays Bank PLC, as Security Agent, will delegate its duties and discretions as Security Agent to the Master Servicer and the Special Servicer under the Servicing Agreement. HBOS as Security Agent, in respect of the Agora Max Portfolio Loan, will not delegate its duties and discretions to the Master Servicer and the Special Servicer.
Trustee:	BNY Corporate Trustee Services Limited, acting through its office at One Canada Square, London E14 5AL (the **Trustee**) will be appointed pursuant to a trust deed to be entered into on or about the Closing Date by the Issuer and the Trustee (the **Trust Deed**) to represent the interests of the holders of the Notes and to hold the security granted or created, as the case may be, under the deed of charge and assignment to be entered into on or about the Closing Date by, among others, the Issuer and the Trustee (the **Issuer Deed of Charge**) on behalf of itself and any receiver or other appointee of the Trustee, the Noteholders, the Master Servicer, the Special Servicer, the Seller, the Corporate Services Provider, the Account Bank, the Cash Manager, the Interest Rate Swap Provider, the Liquidity Facility Provider, the Agent Bank, the Principal Paying Agent, the Irish Paying Agent, the Registrar and any other paying agent appointed under the Agency Agreement (together, the **Issuer Secured Creditors**) and will be entitled to enforce the security granted or created, as the case may be, in its favour under the Issuer Deed of Charge.
Principal Paying Agent, Agent Bank and Registrar:	The Bank of New York, acting through its branch at One Canada Square, London E14 5AL will be appointed to act as principal paying agent, agent bank and registrar under the Agency Agreement dated on or about the Closing Date between the Issuer and The Bank of New York.
Irish Paying Agent:	BNY Fund Services (Ireland) Limited, acting through its branch at Guild

	House Guild Street, International Financial Services Centre, Dublin 1, Ireland will be appointed to 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 in this Prospectus as the **Paying Agents**, and together with the Depositary, the **Agents)**.
Account Bank:	The Bank of New York, acting through its branch at One Canada Square, London E14 5AL will act as account bank for the Issuer under the Bank Account Agreement (in this capacity, the **Account Bank**).
Liquidity Facility Provider:	Danske Bank A/S, London Branch (the **Liquidity Facility Provider**), acting through its office at 75 King William Street, London EC4N 7DT will make the Liquidity Facility available to the Issuer under the Liquidity Facility Agreement.
Corporate Services Provider:	Structured Finance Management Limited (the **Corporate Services Provider**) will provide certain corporate administration and secretarial services to the Issuer under the Corporate Services Agreement.
Share Trustee:	SFM Corporate Services Limited (the **Share Trustee**) holds its interest in the shares of the Issuer on trust for charitable purposes under the terms of a trust deed dated 31 January 2007 (the **2007-1 Share Trust Deed**).
Depositary and Common Depositary:	The Global Notes will be deposited with or to the order of The Bank of New York (Luxembourg) S.A. as the book-entry depositary (the **Depositary**) on or about the Closing Date pursuant to the Depositary Agreement. The Depositary will issue a CDI in respect of each Global Note to The Bank of New York, as common depositary (in this capacity, the **Common Depositary**), for Euroclear and Clearstream, Luxembourg.
Master Servicer and Special Servicer:	Barclays Capital Mortgage Servicing Limited, a wholly-owned subsidiary of the Seller acting through its offices at 1 Churchill Place, London E14 5HP, will be appointed pursuant to the terms of the Servicing Agreement to carry out certain servicing and special servicing functions on behalf of the Issuer in connection with the Loans and the Loan Security (in these capacities, the **Master Servicer** and the **Special Servicer** respectively, and each, as the context requires, the **Relevant Servicer**). The Master Servicer and the Special Servicer will additionally be appointed to act as agent of the Security Agent, but not HBOS as Security Agent in respect of the Agora Max Portfolio Loan. In respect of the Agora Max Portfolio Loan, the Master Servicer and/or the Special Servicer, as applicable, will have a more limited role than in relation to the other Loans. The Master Servicer and the Special Servicer will exercise the rights of the Issuer as a Lender under the relevant Finance Documents in accordance with the terms of the Agora Max Intercreditor Deed which will include directing HBOS as Security Agent in respect of the Agora Max Whole Loan.
Operating Adviser:	The Controlling Creditor (as defined below) will, subject to the terms of the Intercreditor Agreements, have the right to appoint and remove an adviser

(the **Operating Adviser**) with respect to the Loans. The Operating Adviser will, among other things, have certain rights with respect to certain material actions relating to the Loans. See *Servicing – Appointment of the Operating Adviser* below.

Cash Manager: The Bank of New York, acting through its office at One Canada Square, London E14 5AL (in this capacity, the **Cash Manager**) will provide certain cash management services to the Issuer under the Cash Management Agreement to be dated on or about the Closing Date between the Issuer and the Cash Manager, among others.

Interest Rate Swap Provider: Barclays Bank PLC (in this capacity, the **Interest Rate Swap Provider**) will enter into an interest rate swap agreement in the form of an International Swaps and Derivatives Association, Inc. (**ISDA**) 1992 Master Agreement (Multicurrency-Cross Border) to be dated on or prior to the Closing Date (the **Interest Rate Swap Agreement**) with the Issuer. The Issuer and the Interest Rate Swap Provider will enter into interest rate swap transactions in respect of each Loan (together with the schedules thereto, the **Interest Rate Swap Transactions** and each an **Interest Rate Swap Transaction**) pursuant to the Interest Rate Swap Agreement.

Finance Parties: The **Finance Parties** under any Credit Agreement include the lenders from time to time under that Credit Agreement (each, a **Lender**), the Junior Lenders, the Agora Max Senior A Lenders, the Agora Max Senior B Lenders and the Agora Max Junior Lenders, the Loan Hedge Counterparties and each Security Agent. The term "Finance Parties" will include the Issuer (as lender) following the sale of the Loans to the Issuer on the Closing Date.

RELEVANT DATES AND PERIODS

Cut-Off Date: The Cut-Off Date is 19 February 2007. The Cut-Off Date is the date on which much of the information relating to the Loans, their Related Security and the Properties set out in this Prospectus is presented.

Closing Date: The Notes will be issued on or about 12 April 2007 (or such later date as the Issuer may agree with the Lead Manager and the Arranger) (the **Closing Date**).

Loan Interest Payment Date: Each of the Loans provides that payment of quarterly instalments of interest and principal (if applicable) are due on (in respect of the Greater London Portfolio Loans and the Workspace Portfolio Loan) the 15th, (in respect of the Lloyds Portfolio Loan, the Forster Hall Loan, the Snowhill Loan, the Pitch 2 Portfolio Loan and the Nos 2 & 3 Portfolio Loan) the 16th and (in respect of the Adelphi Loans, the Gullwing Portfolio Loan, the G-res 1 Portfolio Loan, the Apex Loan, the Sol Central Loan, the Grafton Estate Portfolio Loan, the Criterion Loan, the Alba Gate Portfolio Loan, the Amsterdam Place Loan, the St. George Portfolio Loan and the Wakefield Europort Loan) the 17th day of each January, April, July and October and (in respect of the Agora Max Portfolio Loan) the 10th day of each February, May, August and November.

If, however, any such day is not a London Business Day, payments will be made on the next London Business Day in that calendar month (if there is one) or the preceding London Business Day (if there is not) (the **Loan Interest Payment Date**). **London Business Day** means any day, other than a Saturday or Sunday, on which banks are open for general business in London.

Loan Interest Period: Interest accrues on a Loan from and including a Loan Interest Payment Date up to but excluding the next succeeding Loan Interest Payment Date (each, a **Loan Interest Period**). Interest is payable quarterly in arrear on each Loan Interest Payment Date in respect of the immediately preceding Loan Interest Period.

Calculation Date: Three London Business Days prior to each Interest Payment Date (each such day, a **Calculation Date**) the Cash Manager will, based on information relating to Collections on the Loans received from the Master Servicer (or, in relation to the Agora Max Portfolio Loan, based on information provided by HBOS), perform calculations in respect of the immediately preceding Collection Period and payments to be made to, among others, the holders of the Notes (the **Noteholders**), as more fully defined in **Condition 1.3** (Title to Global Notes and Definitive Notes) in accordance with the relevant Priority of Payments on that Interest Payment Date.

Collection Period: Amounts available for payment on the Notes on any Interest Payment Date will depend on the Collections received with respect to the Loans during the immediately preceding Collection Period, the payments received with respect to any Interest Rate Swap Agreement for the applicable Interest Period, any Loan Income Deficiency Drawings relating to such Interest

Payment Date and any other amount standing to the Credit of the Transaction Account other than any amount credited to the Tax Reserve Ledger (as defined below). Each **Collection Period** will:

- relate to the Interest Payment Date immediately following such Collection Period;
- start from (and include) the preceding Calculation Date (or in the case of the first Collection Period, the Closing Date); and
- end on (but exclude) the Calculation Date that occurs in the same month as the immediately following Interest Payment Date.

KEY CHARACTERISTICS OF THE LOANS AND THE PORTFOLIO

The Loans: Each Loan (other than the Agora Max Portfolio Loan, the Workspace Portfolio Loan, the Pitch 2 Portfolio Loan, the Alba Gate Portfolio Loan and the Wakefield Europort Loan) constitutes a full recourse obligation of the Relevant Borrower and is secured by, among other things, a first legal mortgage or charge and, in the case of the Scottish Properties, standard security over all of the Relevant Borrower's or Obligor's interests in the Properties and first fixed security over, or assignments of, the Leases, (other than in respect of the Alba Gate Individual Borrower) insurance policies, certain hedging arrangements, bank accounts and rental income in respect of the Properties or, in the case of the Scottish Properties, an assignation of the rental income. In the case of the Agora Max Portfolio Loan, the Workspace Portfolio Loan, the Pitch 2 Portfolio Loan, the Alba Gate Portfolio Loan and the Wakefield Europort Loan, recourse is limited to the interests of the relevant Borrower, Chargor or property owner in the relevant Properties and other Related Security. Each Loan contains certain representations and warranties given by the Relevant Borrower and/or the Chargor, as the case may be.

The Borrowers: The Loans (other than in respect of the Agora Max Portfolio Loan, the Pitch 2 Portfolio Loan, the Criterion Loan, the Gullwing Portfolio Loan, the Alba Gate Portfolio Loan and the Wakefield Europort Loan), have been made to limited liability companies incorporated in England and Wales, the Isle of Man (in the case of the Criterion Loan) and Jersey (in the case of the G-res 1 Portfolio Loan and the Workspace Portfolio Loan). The Agora Max Portfolio Loan has been made to two unit trusts, each acting by two trustees and the Workspace Portfolio Loan has been made to a property unit trust acting by a trustee, which are governed by the laws of Jersey. The Pitch 2 Portfolio Loan has been made to the Pitch 2 Borrower acting as trustee for the Pitch Fund. The Alba Gate Portfolio Loan has been made to an individual borrower (the **Alba Gate Individual Borrower**) and an English limited liability partnership (the **Alba Gate LLP Borrower**) and the Wakefield Europort Loan has been made to an Isle of Man partnership, two partners of which are individuals (the **Wakefield Europort Individual Borrowers** and, together with the Alba Gate Individual Borrower, the **Individual Borrowers**). The Gullwing Portfolio Loan has been made to an English limited liability partnership, the general partner of which is a limited liability company.

Properties: As at the Cut-Off Date, the Portfolio comprised, in aggregate, 366 Properties of which 298 are located in England, 47 are located in Scotland and 21 are located in Wales. In the Portfolio, 118 of the Properties are mixed use properties, 169 are retail properties, 22 are office properties, 9 are industrial, 9 are leisure and 39 are residential.

The Loans (other than the Agora Max Portfolio Loan) were originated by the Seller between June 2005 and March 2007. In connection with the origination of the Loans, the Seller has represented and warranted to the Issuer 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 Borrowers' ability to service their Loan obligations and the quality of the Portfolio. For more

information see *The Loans and the Loan Security – Diligence in connection with the Loans* below.

The Agora Max Whole Loan was originated by HBOS on 7 March 2006 and the Agora Max Portfolio Loan was purchased by the Seller on 10 August 2006.

The following is a summary of certain characteristics of the Loan Pool as at the Cut Off Date:

Loan Name	Cut-Off Date Securitised Principal Balance (£)	Cut-Off Date ICR	Cut-Off Date DSCR	Cut-Off Date LTV	Maturity LTV	Remaining Estimated Term to Maturity (Years)
Adelphi	215,622,248	1.21x	1.21x	66.3%	66.3%	4.7 yrs
Criterion	126,000,000	1.28x	1.18x	70.0%	67.0%	8.4 yrs
G-res 1 Portfolio	125,000,000	1.15x	1.15x	59.5%	59.5%	6.9 yrs
Nos 2 & 3 Portfolio	95,606,455	1.38x	1.38x	82.9%	76.8%	9.9 yrs
Greater London Portfolio	73,200,000	1.24x	1.24x	75.4%	73.4%	4.7 yrs
Agora Max Portfolio	68,315,000	1.40x	1.40x	65.7%	65.7%	4.1 yrs
Lloyds Portfolio	33,192,000	1.15x	1.00x	71.5%	67.7%	5.4 yrs
Workspace Portfolio	26,565,000	1.64x	1.64x	70.0%	70.0%	5.9 yrs
Pitch 2 Portfolio	22,219,075	2.43x	2.43x	49.2%	49.2%	6.7 yrs
Grafton Estate Portfolio	20,000,000	1.74x	1.74x	37.9%	37.9%	4.7 yrs
Sol Central	18,348,000	1.78x	1.63x	64.2%	57.8%	9.2 yrs
Gullwing Portfolio	13,127,816	1.69x	1.69x	74.5%	74.5%	3.9 yrs
Snowhill	11,812,500	2.13x	1.60x	50.9%	47.7%	3.2 yrs
Wakefield Europort	10,745,000	1.89x	1.89x	54.0%	54.0%	9.9 yrs
Forster Hall	10,200,000	1.46x	1.46x	60.0%	60.0%	6.4 yrs
Alba Gate Portfolio	8,198,650	1.82x	1.43x	60.8%	56.2%	6.7 yrs
St. George Portfolio	6,247,500	1.14x	1.14x	56.3%	56.3%	6.7 yrs
Amsterdam Place	5,582,000	1.30x	1.01x	77.0%	65.0%	7.7 yrs
Apex	4,450,500	1.23x	1.01x	83.7%	73.5%	7.2 yrs
Total	**894,431,744**					
Minimum	4,450,500	1.14x	1.00x	37.9%	37.9%	3.2 yrs
Maximum	215,622,248	2.43x	2.43x	83.7%	76.8%	9.9 yrs
Average/ Weighted Average	47,075,355	1.35x	1.31x	67.3%	65.6%	6.3 yrs

The **Cut-Off Date Securitised Principal Balance** is the principal balance of the Loans, together with the undrawn portion of the Adelphi Revolver Loan and the GLP Revolver Loan as at the Cut-Off Date. For further information about the Loan Pool, please see the section entitled *The Loans and the Loan Security*.

The majority of the Leases[5] relating to the Properties are "fully repairing and insuring" leases (**FRI Leases**) under which substantially all of the economic liabilities arising in relation to the upkeep and operation of the relevant Property are borne by the individual Tenant, including the costs of repairing, maintaining and insuring the relevant Property (or where a Lease does not include the structure of the

[5] Based on a review of all leases that comprise greater than 15 per cent. of the total rent roll in respect of each Loan.

building the Tenant pays a proportionate share of the landlord's costs of repairing and maintaining the structure and common areas). However, there are some exceptions which may limit the Obligor's ability to recover service charges and in respect of which the Obligor has an obligation to keep part of the structure in repair.

The following is a summary of certain characteristics of the Portfolio as at the Cut-Off Date:

Loan Name	Valuation (£) of Properties as at Date of Valuation	Net Rent[6] (£ p.a.)	Estimated Net Rental Value (ERV) (£ p.a.)	Yield (Net Rent over Valuation)	Net Internal Area (sq ft)
Adelphi[7]	325,000,000	15,358,863	15,597,765	4.73%	319,881
Criterion	180,000,000	8,572,267	8,813,157	4.76%	249,187
G-res 1 Portfolio	210,019,010	8,181,981	9,078,688	3.90%	405,239
Nos 2 & 3 Portfolio	115,381,350	7,855,191	8,324,328	6.81%	739,942
Greater London Portfolio[8]	97,100,000	4,953,877	5,403,350	5.10%	155,159
Agora Max Portfolio[9]	103,966,667	5,662,265	6,654,974	5.45%	1,300,017
Lloyds Portfolio	46,425,000	2,234,732	2,423,400	4.81%	199,408
Workspace Portfolio	37,950,000	2,599,330	3,189,467	6.85%	754,424
Pitch 2 Portfolioi	45,170,000	3,005,856	2,997,080	6.65%	370,982
Grafton Estate Portfolio	52,800,000	2,089,184	2,606,321	3.96%	47,170
Sol Central	28,600,000	1,998,524	2,073,175	6.99%	185,762
Gullwing Portfolio	17,625,000	1,352,789	1,613,251	7.68%	550,133
Snowhill	23,200,000	1,595,180	721,000	6.88%	412,165
Wakefield Europort	19,900,000	1,166,500	1,213,000	5.86%	276,969
Forster Hall	17,000,000	867,753	867,753	5.10%	0 (3)
Alba Gate Portfolio	13,490,000	889,284	937,272	6.59%	61,229
St. George Portfolio	11,100,000	426,657	580,000	3.84%	11,333
Amsterdam Place	7,250,000	430,000	445,000	5.93%	31,801
Apex	5,320,000	352,587	315,782	6.63%	17,595
Total/Weighted Average	**1,357,297,027**	**69,617,794**	**73,854,763**	**5.18%**	**6,088,395**

Valuation: In relation to each Loan, as a condition precedent to making an advance to the Relevant Borrowers, the Seller or (in respect of the Agora Max Whole Loan) HBOS obtained an independent valuation of the relevant Property or Properties constituting security for that Loan (each, a **Valuation** and together, the **Valuations**). In this Prospectus, the **Valuer** means the valuer in respect of each Valuation, as applicable.

The circumstances in which additional valuations will be obtained under the Credit Agreements are limited.

6 Net Rents are the sum of i) all contracted rents associated with occupational leases, licences, tenants holding over, and similar cash flows; plus ii) any Borrower estimates of ancillary income generated by the property including but not limited to car parking, turnover rents, commercialisation, automatic teller machines; less iii) any irrecoverable Borrower / Property level costs associated with the leasehold interest or occupational tenancy; and iv) ignoring any rent free periods in effect.

7 The Properties in respect of each of the Adelphi Senior Loan and the Adelphi Revolver Loan stand as security for both the Adelphi Senior Loan and the Adelphi Revolver Loan.

8 The Properties in respect of each of the Greater London Portfolio Loans stand as security for both Greater London Portfolio Loans.

9 Values for the Agora Max Portfolio Loan represent the one-third interest in the Agora Max Senior A Loan.

All references to valuations (including related concepts, such as LTVs and property values) are references to, or are taken from, references in, the Valuations, unless otherwise specified.

See further *The Loans and the Loan Security* below.

Loan Security: As security for the repayment of each Loan, the relevant Obligor or Obligors and the Relevant Security Agent have, on or about the closing date in respect of the Loan and in the case of the Workspace Portfolio Loan, the Gullwing Portfolio Loan and the Pitch 2 Portfolio Loan on each drawdown date under the relevant Loan following the purchase of various Properties (each, a **Loan Closing Date** and, together, the **Loan Closing Dates**), entered into a security agreement (each, a **Security Agreement** and, together with the Scottish Security Agreements (as defined below), the **Security Agreements**), pursuant to which the Relevant Borrower (or the Chargor, where appropriate) has granted security over the relevant Property or Properties located in the United Kingdom and all related interests and assets including, but not limited to:

(a) a first legal mortgage or charge over the relevant Property or Properties;

(b) a first fixed charge over the Chargor's interest in the Property or Properties (to the extent not subject to security under **paragraph (a)** above);

(c) an absolute assignment, subject to a proviso for re-assignment on redemption, of the Lease documentation and rental income;

(d) a first fixed charge or assignment over the specified bank accounts (including, in respect of each Loan, the Rent Account);

(e) an absolute assignment, subject to a proviso for re-assignment on redemption or a first fixed charge of the insurance contracts or policies of the Chargor relating to the relevant Properties; and

(f) a floating charge (other than in respect of the Forster Hall Loan, the Wakefield Europort Loan, the Pitch 2 Portfolio Loan and one of the property owners in respect of the Agora Max Portfolio Loan) over those assets of the Relevant Borrower that are not subject to a fixed charge.

Please see *Risk Factors – Considerations relating to the Loans and the Loan Security – Security over bank accounts*.

In addition, in respect of the Nos 2 & 3 Portfolio Loan, and the Alba Gate Portfolio Loan, the Relevant Borrowers and/or Chargors (as appropriate) have, pursuant to separate security agreements (the **Scottish Security Agreements**), granted security over those Properties located in Scotland (the **Scottish Properties**) and all related interests and assets, including but not limited to:

(a) a standard security over the relevant Scottish Properties; and

(b) an assignation of rents.

In respect of the Adelphi Loans, the Relevant Borrower has, in addition to the relevant Security Agreements and pursuant to a separate security agreement, granted security over those assets located in Liechtenstein and all related interests and assets, including but not limited to a first fixed charge over the shares of the Relevant Borrower located in Liechtenstein. For more information in relation to the Related Security in respect of each Loan, please see *Descriptions of the Loans and the Related Properties.*

The Related Security in respect of each Loan (other than in the case of the Alba Gate Portfolio Loan and the Wakefield Europort Loan in respect of the Alba Gate Individual Borrower and the Wakefield Europort Individual Borrowers, respectively) will include, where relevant, the benefit of the following:

(a) a subordination agreement, whether made by deed or otherwise, under which any other debt of the Relevant Borrower or any other Obligor, as applicable (if any) is subordinated to the debt owed by the Relevant Borrower or any such other Obligor in respect of the relevant Loan (each, a **Subordination Agreement**);

(b) a duty of care letter entered into by the Relevant Borrower or Obligor, as applicable, the Relevant Security Agent and the independent managing agent or agents appointed by the Relevant Borrower in respect of a relevant Property or Properties (each, a **Duty of Care Agreement**);

(c) a charge over, or other security interest in (other than in respect of the Wakefield Europort Loan, the Gullwing Portfolio Loan, the Alba Gate Portfolio Loan, the Workspace Portfolio Loan, the Snowhill Loan, the Agora Max Portfolio Loan, the Lloyds Portfolio Loan, the Grafton Estate Portfolio Loan and the Pitch 2 Portfolio Loan), all of the shares of an Obligor (each, a **Share Charge**). For further details on the Share Charge in respect of each Loan, please refer to Description of the Loans and the Releated Properties and in respect of the Gullwing Portfolio Loan this is a share charge over the General Partner of the Gullwing Borrower shares only;

(d) (in the case of the Adelphi Loans and the Criterion Loan) the Intercreditor Agreements regulating the relationship and priority between the Seller (in its capacity as Lender and, following the Closing Date, the Issuer) and the Junior Lender;

(e) (in the case of the G-res 1 Portfolio Loan) an intercreditor agreement (the **G-res 1 Portfolio Intercreditor Agreement**) regulating the relationship and priority between, amongst others, the Seller (in its capacity as Lender and, following the Closing Date, the Issuer) in respect of the G-res 1 Portfolio Whole Loan;

(f) (in the case of the Agora Max Portfolio Loan) an intercreditor agreement (the **Agora Max Intercreditor Agreement**) regulating the relationship and priority between, amongst others, the Seller and, following the Closing Date, the Issuer (each in its capacity as a lender under the Agora Max Senior A Loan), the Agora Max Existing Senior A Lenders, the Agora Max Senior B Lenders and the Agora Max Junior Lenders; and

(g) (in the case of the Adelphi Loans, the Criterion Loan, the Agora Max Portfolio Loan, the GLP Term Loan and the G-res 1 Portfolio Loan) the Loan Hedging Arrangements (as defined below) it being noted that in respect of the Criterion Loan, this is a fixed charge over written agreements to which the Relevant Borrower is party rather than over the Relevant Borrower's rights in respect of hedging income.

Interest rates: All of the Loans (other than the Adelphi Loans, the Criterion Loan, the Agora Max Portfolio Loan, the Greater London Portfolio Loans and the G-res 1 Portfolio Loan) bear a fixed rate of interest. The Adelphi Loans, the Agora Max Portfolio Loan, the Greater London Portfolio Loans, the G-res 1 Portfolio Loan and the Criterion Loan bear a floating rate of interest. Interest in respect of each Loan is calculated in accordance with the Credit Agreement under which that Loan was made (the **relevant Credit Agreement**).

Repayment: Some of the Loans are subject to scheduled repayment on each Loan Interest Payment Date in accordance with the terms of the relevant Credit Agreement. To the extent not repaid or prepaid earlier, all the Loans are repayable in full at their respective final maturity dates (each such date, a **Loan Maturity Date**).

Voluntary prepayment: Each Loan may be prepaid by the Relevant Borrower in whole or in part (but if in part, in a minimum amount) on any Loan Interest Payment Date upon giving a minimum number of London Business Days' prior notice to the Lender. Other than in respect of the Adelphi Revolver Loan and the GLP Revolver Loan, amounts prepaid may not be redrawn.

Certain prepayments by the Relevant Borrower may be subject to prepayment fees in connection therewith (**Prepayment Fees**). The Relevant Borrower will additionally be required to pay any Break Costs (as defined below) to the Issuer and the Issuer may, in respect of certain Loans be required to pay Break Gains (as defined below).

Mandatory prepayment: Prepayment of a Loan (in whole or in part) must or (as described in paragraph (c) below) may be made in certain circumstances (in each case as set out in the relevant Credit Agreement), including the following:

(a) (other than in respect of the Alba Gate Portfolio Loan) if a Lender (or the Relevant Security Agent in the case of the Agora Max Portfolio Loan) notifies the Relevant Borrower that it is unlawful in any jurisdiction for the Lender to perform any of its obligations under a Finance Document or to fund or maintain its share in the Loan;

(b) in the case of some of the Loans, on the occurrence of a change of control of the Relevant Borrower or, in certain cases, its shareholder (although in the case of certain other Loans, a change in control may be an Event of Default);

(c) (in the case of some of the Loans) if the Relevant Borrower is required to withhold or deduct any amount in respect of tax or pay any increased costs to the Lender or following a reduction in the rate of return or other amounts due to a Lender under the relevant Credit Agreement;

(d) subject to the provision set out below in respect of any GLP Revolver Loan and any Adelphi Revolver Loan; on the sale or disposal of a Property or Properties, or (in the case of the Greater London Portfolio Loans) shares in a Relevant Borrower unless, in the case of the Agora Max Portfolio Loan, the Nos 2 & 3 Portfolio Loan, the Gullwing Portfolio Loan, the Pitch 2 Portfolio Loan, where the proceeds have been invested in one or more substitute properties or (in the case of the Agora Max Portfolio Loan) shares or units, or (in the case of the G-res 1 Portfolio Loan) where proceeds are applied towards satisfying certain obligations of the Relevant Borrower when there are insufficient funds available for such purposes;

(e) (in the case of the Greater London Portfolio Loans) any amounts recovered by the Relevant Borrowers as a result of any claims under the agreements under which the relevant Properties were purchased or any report that the Finance Parties rely on, net of the expenses of the Borrower and taxes are to be used to prepay the GLP Term Loan on the next Loan Interest Payment Date and certain amounts that are released from a Borrower Account under certain circumstances are to be used to prepay the outstanding GLP Revolver Loans on the next Loan Interest Payment Date;

(f) (in the case of the Pitch 2 Portfolio Loan) if the Pitch 2 Trust is terminated; or

(g) in respect of the Greater London Portfolio Loans disposal proceeds are to be used first in repaying any outstanding GLP Revolver Loans which relate to the Property or Properties directly or indirectly disposed of and thereafter to be used in repaying any amount outstanding in respect of the GLP Term Loan.

In respect of the Adelphi Loans, the Apex Loan, the Snowhill Loan, the Lloyds Portfolio Loan, the Grafton Estate Portfolio Loan, the Alba Gate Portfolio Loan, the Criterion Loan, the Wakefield Europort Loan, the Gullwing Portfolio Loan, Nos 2 & 3 Portfolio Loan and the Sol Central Loan, any disposal of the relevant Properties without the consent of the Lender or, (in the case of the Greater London Portfolio Loans) the Relevant Security Agent, or other than in accordance with the terms of the relevant Credit Agreement would constitute a Loan Event of Default.

In the event of prepayment of all or part of a Loan (other than any Greater

London Revolver Loan or any Adelphi Revolver Loan) in any of the above circumstances (other than as described in paragraphs (a) and (c) above), Prepayment Fees may be payable by the Relevant Borrower.

Finance Documents includes, in relation to the Loan Pool, any Credit Agreement, any Security Agreement, any Subordination Agreement, any Transfer Certificate (other than in respect of a Transfer Certificate to the Junior Lender in respect of a Junior Loan), any Duty of Care Agreement, any Share Charge, any **Fee Letter** (as defined in the relevant Credit Agreement, where applicable), any Loan Hedging Arrangements, any Deed of Priority and any other document designated as such by the parties to any Credit Agreement (each, a **Finance Document**).

The Finance Documents relating to a specific Loan are referred to in this Prospectus as **relevant Finance Documents**. In relation to a Finance Document, **Finance Party** generally means a Lender (which, after the Closing Date, will be the Issuer) or the Relevant Security Agent.

Further advances: Other than in respect of any Adelphi Revolver Loan or any GLP Revolver Loan, the Issuer is not required or entitled to make any further advance of principal to any Borrower under the terms of any of the Credit Agreements. Additionally, neither the Master Servicer nor the Special Servicer is permitted under the Servicing Agreement to agree to an amendment of the terms of a Credit Agreement that would require the Issuer to make a further advance of principal to any Borrower or that would increase the available commitment in respect of the Adelphi Revolver Loan or the GLP Revolver Loan without, among other things, confirmation from the Rating Agencies that the same would not have a material adverse effect on the then current ratings of the Notes.

The Adelphi Revolver Loan is made under a separate revolving rent liquidity facility (the relevant commitment being £1,000,000). As at the Cut-Off Date, the Adelphi Revolver Loan was undrawn. The Issuer will, as transferee of the Adelphi Revolver Loan, be required, to the extent of any undrawn and available commitment thereunder, to make advances under the Adelphi Revolver Loan. Any prepayment of the Adelphi Revolver Loan may not be re-borrowed.

The Credit Agreement for the Greater London Portfolio Loans provides that the GLP Revolver Loan is made under a revolving credit facility (the relevant commitment being £1,000,000) (the **GLP Revolving Credit Facility**). As at the Cut-Off Date, the GLP Revolver Loan was undrawn. The Issuer will, as transferee of the GLP Revolver Loan, be required, to the extent of any undrawn and available commitment thereunder, to make advances under the GLP Revolving Credit Facility. Any voluntary prepayment of the GLP Revolver Loan under paragraph (e) above may be re-borrowed on the terms of the GLP Revolving Credit Facility. Any other prepayment of the GLP Revolver Loan may not be re-borrowed. See further *The Loans and the Loan Security – The Greater London Portfolio Loans*.

To the extent that the Credit Agreement permits the Lender to pay sums due from the Borrower to third parties if the Borrower fails to do so, the Issuer (or the Master Servicer or Special Servicer acting on its behalf) may pay such

amounts to the relevant third parties, thereby increasing the amount owed by the Borrower to the Issuer, by making a Loan Protection Advance (as defined below). The Master Servicer, or, if the Loan is a Specially Serviced Loan, the Special Servicer, will pay the proceeds of such Loan Protection Advance to the relevant third parties in accordance with the terms of each Credit Agreement and the Servicing Agreement. For further details, see *Servicing – Loan Protection Advances*.

Loan Hedging Arrangements:

In respect of the Senior Adelphi Loan, the Criterion Loan, the G-res 1 Portfolio Loan or the GLP Term Loan, the Relevant Borrower has entered into a 1992 ISDA Master Agreement with Barclays Bank PLC (the **Adelphi Loan Hedge Counterparty**, the **Criterion Loan Hedge Counterparty**, the **G-res 1 Portfolio Loan Hedge Counterparty** or the **Greater London Loan Hedge Counterparty**, as applicable,) and a related schedule and confirmation(s) in respect of an interest rate swap transaction pursuant to which, on each Loan Interest Payment Date, the relevant Loan Hedge Counterparty will pay to the Relevant Borrower a sum determined by reference to a floating rate and the Relevant Borrower will pay to the Relevant Loan Hedge Counterparty a sum determined by reference to a fixed rate (which in respect of the G-res 1 Portfolio Loan will be subject to a step-up in January 2009) calculated on a notional principal amount, which is intended to correspond to the principal amount of the Senior Adelphi Loan, the Criterion Loan and the GLP Term Loan, as applicable, from time to time. In the case of the G-res 1 Portfolio Loan both the fixed rate and the floating rate will be calculated on a notional principal amount, which is intended to correspond to 90 per cent. of the principal amount of the G-res 1 Portfolio Loan from time to time (the **Adelphi Loan Hedging Arrangements**, the **Criterion Loan Hedging Arrangements**, the **G-res 1 Portfolio Loan Hedging Arrangements** and the **Greater London Loan Hedging Arrangements,** respectively).

In respect of the Agora Max Portfolio Loan, the Agora Max Borrowers have entered into a 1992 ISDA Master Agreement with HBOS Treasury Services PLC (the **Agora Max Portfolio Loan Hedge Counterparty** and, together with the Adephi Loan Hedge Counterparty, the Criterion Loan Hedge Counterparty, the G-res 1 Portfolio Loan Hedge Counterparty and the Greater London Loan Hedge Counterparty, the **Loan Hedge Counterparties**) and a related schedule and three related confirmations in respect of (a) an interest rate cap transaction with an effective date in 2006 and termination date in 2008 pursuant to which the Agora Max Portfolio Loan Hedge Counterparty will pay to the Relevant Borrower a sum determined by reference to a floating rate with a ceiling set at five per cent. and the Relevant Borrower will pay to the Agora Max Portfolio Loan Hedge Counterparty a sum determined by reference to a floating rate with a floor set at a fixed rate (the **Agora Max Interest Rate Collar**) and (b) a forward-starting hedge transaction documented under two confirmations pursuant to which on each Loan Interest Payment Date, the Agora Max Portfolio Loan Hedge Counterparty will pay to each Relevant Borrower a sum determined by reference to a floating rate and each Relevant Borrower will pay to the Agora Max Portfolio Loan Hedge Counterparty a sum determined by reference to a fixed rate, both calculated on a notional principal amount which is intended to hedge the full principal amount of the Agora Max Portfolio Loan from time to time (the **Agora Max Interest Rate Forward-**

Starting Hedge and, together with the Agora Max Interest Rate Collar, the **Agora Max Portfolio Loan Hedging Arrangements** and, together with the Adelphi Loan Hedging Arrangements, the Criterion Loan Hedging Arrangements, the G-res 1 Portfolio Loan Hedging Arrangements and the Greater London Loan Hedging Arrangements, the **Loan Hedging Arrangements**).

The Adelphi Borrower's interests in the Adelphi Loan Hedging Arrangements, the Criterion Borrowers' interests in the Criterion Loan Hedging Arrangements, the G-res Borrower's interests in the G-res 1 Portfolio Loan Hedging Arrangements, the Greater London Borrowers' interests in the Greater London Loan Hedging Arrangements and the Agora Max Borrower's interests in the Agora Max Portfolio Loan Hedging Arrangements will form part of the Loan Security on the Closing Date. For a more detailed description of the Loan Hedging Arrangements (see *The Loans and the Loan Security – Hedging Obligations* below).

Insurance:

Each Borrower or Chargor has undertaken pursuant to the relevant Credit Agreement, to maintain insurance of the relevant Property or Properties on a full reinstatement value basis, including not less than three years' loss of rent on all Leases together with insurance against acts of terrorism, where such insurance is generally available in the United Kingdom insurance market, (in the case of the Greater London Portfolio Loans) the European insurance market or (in the case of the Pitch 2 Portfolio Loans) the insurance market generally on commercially reasonable terms, and, where applicable, to procure that the Relevant Security Agent or the Lender, as applicable, is named as co-insured or that the interest of the Relevant Security Agent or Lender, as applicable, is noted on all relevant Insurance Policies (as defined below). Any such interest of the Relevant Security Agent will be held for the Issuer pursuant to the related Security Trusts.

All insurances required under the Credit Agreements must be with an insurance company or underwriter that is acceptable to the Lender or which complies with minimum ratings requirements.

Representations and warranties:

The Loan Sale Agreement will contain certain representations and warranties given by the Seller in respect of the Loans and the Loan Security (the **Loan Warranties**). The Loan Warranties are summarised in the section entitled *Transaction Documents – Loan Sale Documents*.

In the event of a Material Breach of Loan Warranty by the Seller with respect to any Loan or its Related Security, which is not capable of remedy or (if capable of remedy) is not remedied within 90 days of receipt of written notice of the relevant Material Breach of Loan Warranty from the Issuer or the Trustee or such longer period as may be agreed by the Trustee, the Seller will (prior to the completion of enforcement of the Related Security) be required to repurchase the relevant Loan and the beneficial interest in the related Security Trust.

If there is a relevant Material Breach of Loan Warranty in respect of the Adelphi Revolver Loan or either of the Greater London Portfolio Loans, then the Seller will be required to repurchase both such Loans and to accept a retransfer to it of the commitment to lend under the Adelphi Revolver Loan

or the GLP Revolving Credit Facility, as applicable.

The consideration for such repurchase will be an amount equal to the principal balance of the Loan then outstanding (or, if the Material Breach of Loan Warranty related to the principal balance outstanding of the Loan at the Cut-Off Date, the consideration payable will be the higher of (a) the outstanding principal balance of the relevant Loan as at such date and (b) the represented principal balance of the Loan at the Cut-Off Date less any principal amounts received by the Issuer in respect of such Loan) plus in all cases any accrued but unpaid interest thereon up to and including the date of repurchase or, if such date is not an Interest Payment Date and an Acceleration Notice has not been served or the Notes have not otherwise become due and repayable in full, the immediately following Interest Payment Date together with any additional costs and expenses (excluding any Liquidation Fees or Restructuring Fees paid or payable in respect of the Relevant Loan) incurred by the Issuer in respect of such Loan (including any swap termination payments due to the Interest Rate Swap Provider arising as a result of the repurchase), and any amounts advanced by or on behalf of the Issuer in respect of the relevant Loan as a Loan Protection Advance, to the extent such amounts have not been capitalised as outstanding principal of the relevant Loan or recovered from the Relevant Borrower.

Any repurchase of a Loan will result in the redemption of the Notes in accordance with **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds).

PRINCIPAL FEATURES OF THE NOTES

Notes: The Notes will comprise:

(a) £729,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2020;

(b) £100,000 Class X Commercial Mortgage Backed Notes due 2020;

(c) £48,000,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2020;

(d) £54,000,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2020;

(e) £53,500,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2020; and

(f) £9,930,000 Class E Commercial Mortgage Backed Floating Rate Notes due 2020.

The Notes will be constituted pursuant to the Trust Deed. The Notes of each Class will rank *pari passu* and rateably and without any preference among themselves.

Status and priority: On enforcement of the Issuer Security and following service of an Acceleration Notice, payments of interest and principal in respect of the Class A Notes will rank ahead of payments of interest (but not principal) in respect of the Class X Notes and ahead of payments of interest and principal in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Payments of interest in respect of the Class X Notes will rank in respect of interest (although principal for the Class X Notes will be repaid solely from amounts standing to the credit of the Class X Principal Account) ahead of payments of interest of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Payments of interest and principal in respect of the Class B Notes will rank ahead of payments of interest and principal in respect of the Class C Notes, the Class D Notes and the Class E Notes. Payments of interest and principal in respect of the Class C Notes will rank ahead of payments of interest and principal in respect of the Class D Notes and the Class E Notes. Payments of interest and principal in respect of the Class D Notes will rank ahead of payments of interest and principal in respect of the Class E Notes.

Notwithstanding the above, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be entitled to receive both sequential and *pro rata* distribution of principal subject to and in accordance with **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds**)**. Other than any principal redemption of the Class X Notes up to and including the first Interest Payment Date, the Class X Notes will not be redeemed on any other Interest Payment Date unless all other Classes of Notes have been

redeemed in full pursuant to **Condition 5** (Redemption). Prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, payments of interest and principal in respect of the Notes will be paid in accordance with the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments and the Post-Enforcement/Pre-Acceleration Priority of Payments, as applicable.

See further *Cashflows* and **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds) below.

The **Rule 144A Notes** may be offered and sold only within the United States or to a U.S. Person in reliance on Rule 144A under the Securities Act (**Rule 144A**) to qualified institutional buyers as defined therein (**Qualified Institutional Buyers**) that are also qualified purchasers (**Qualified Purchasers**) within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder. The **Reg S Notes** may only be offered and sold outside the United States to persons (who are not U.S. Persons) pursuant to, and in reliance on, Regulation S under the Securities Act (**Regulation S**). For further information about certain restrictions on resales or transfers, see *Transfer Restrictions*.

The Global Notes will be deposited with or to the order of The Bank of New York (Luxembourg) S.A. as the book-entry depositary (the **Depositary**) on or about the Closing Date pursuant to a depositary agreement (the **Depositary Agreement**) expected to be dated on or about the Closing Date between the Issuer, the Depositary and BNY Corporate Trustee Services Limited (in such capacity, the **Trustee**).

The Depositary will issue a certificated depositary interest (each, a **CDI**) in respect of each Global Note to The Bank of New York, as common depositary (in this capacity, the **Common Depositary**) for Euroclear Bank S.A./N.V. (**Euroclear**), and also Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). The Depositary, acting as agent of the Issuer, will maintain a book-entry system in which it will register the Common Depositary as owner of the CDIs. Transfers of all or any portion of the interest in the Global Notes may be made only through the book-entry system maintained by the Depositary. Each of Euroclear and Clearstream, Luxembourg will record the beneficial interests in the CDIs attributable to the relevant Global Notes (the **Book-Entry Interests**). Book-Entry Interests in the CDIs will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear or, Clearstream, Luxembourg and their respective participants.

Except in the limited circumstances described under *Form of the Notes – Issuance of Definitive Notes*, the Notes will not be available in definitive form (the **Definitive Notes**). Definitive Notes will be issued in registered form only.

Transfers of interests in the Global Notes are subject to certain restrictions. In particular, to enforce the restrictions on transfers of interests in any Notes issued in the form of a Global Note, the Trust Deed permits the Issuer to

demand that the holder of any interest in a Rule 144A Global Note held by a U.S. Person as defined in Regulation S who is determined not to have been both a QIB and a QP at the time of acquisition of such interest and any interest in a Reg S Global Note held by a U.S. Person at the time of acquisition of such interest if such acquisition occurred prior to the date that is 40 days after the later of the commencement of the offering of the Notes and the Closing Date (the **Distribution Compliance Period**) in each case, sell such interest to a holder that is permitted under the Trust Deed and, if the holder does not comply with such demand within 30 days thereof, the Issuer may sell such holder's interest in such Notes. In addition, transferees of Global Notes will be deemed to have made certain representations relating to compliance with all applicable securities, ERISA and tax laws.

In addition, there are restrictions on the distribution of this Prospectus and the offer, sale and delivery of the Notes in the United Kingdom and in other jurisdictions. For further information about restrictions on transferring the Notes, see *Transfer Restrictions*.

Denomination of the Notes:

The Notes will be in denominations of £50,000 and in increments of £1,000 thereafter.

For so long as the Reg S Notes are represented by Reg S Global Notes and the rules of Euroclear and Clearstream, Luxembourg so permit, the Reg S Notes will be tradeable only in minimum nominal amounts of £50,000 and integral multiples of £1,000 in excess thereof, notwithstanding that no Definitive Notes will be issued with a denomination above £99,000. However, there will be certain restrictions in respect of holdings above a multiple of £50,000 in nominal amount. See further *Risk Factors – Denominations and Trading*.

Ratings:

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

	Fitch	**Moody's**	**S&P**	**DBRS**
Class A Notes	AAA	Aaa	AAA	AAA
Class X Notes	AAA	Aaa	AAA	AAA
Class B Notes	AA	Aa2	AA	AA
Class C Notes	A	NR	A	A
Class D Notes	BBB	NR	BBB	BBB
Class E Notes	BB	NR	BB	BB

The ratings from the Rating Agencies address only 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. The ratings from the Rating Agencies do not address the likelihood of receipt by any Noteholder of principal on any date prior to the Final Maturity Date.

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 of the Notes are dependent upon, among other things, the short-term, unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider, the Interest Rate Swap Provider and the Account

	Bank (all of which are required to have a minimum rating ascribed to them). A qualification, downgrade or withdrawal of any such ratings by a Rating Agency may have an adverse effect on the ratings of the Notes. **The ratings from the Rating Agencies do not address the likelihood of receipt by Class X Noteholder of any Class X Additional Amounts.**
Listing:	Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange.
Liquidity Facility:	On or before the Closing Date, the Issuer, the Trustee and the Liquidity Facility Provider, among others, will enter into an agreement (the **Liquidity Facility Agreement**) pursuant to which the Liquidity Facility Provider will make available to the Issuer a facility on which the Issuer can draw to fund certain shortfalls in available funds (including scheduled amounts due under the Loans) from time to time (as described further under *Transaction Documents – Liquidity Facility Agreement* below).
Interest Rate Swap Agreement:	The Interest Rate Swap Provider will enter into the Interest Rate Swap Agreement with the Issuer. The Issuer and the Interest Rate Swap Provider will, on the Closing Date, enter into one or more swap confirmations with respect to each Loan (each, an **Interest Rate Swap Confirmation**) evidencing the terms of the Interest Rate Swap Transactions previously entered into. See further *Transaction Documents – Interest Rate Swap Agreement*.
Final redemption:	Unless previously redeemed in full, the Notes will mature on the Final Maturity Date.
Mandatory redemption in part:	Unless an Acceleration Notice has been served or the Notes have otherwise become due and repayable in full and to the extent that the Issuer receives principal payments in respect of the Loans (including scheduled repayments, final repayments, prepayments and the proceeds of any repurchase by the Seller, the Master Servicer, the Special Servicer and, in respect of the Adelphi Loans and the Criterion Loan, the Junior Lender, (in accordance with the terms of the Intercreditor Agreements) and, or to the extent the Issuer is no longer required to make the GLP Revolving Credit Facility available to the Greater London Borrowers (in whole or in part) and/or make the Adelphi Revolver Loan facility available to the Adelphi Borrower, the Notes will be subject to mandatory redemption in part on each Interest Payment Date in the manner described in **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds). Principal receipts will be applied by the Issuer both sequentially and on a *pro rata* basis as set out in **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds).
Redemption in whole for taxation:	The Issuer may, subject as provided in **Condition 5.2** (Redemption for taxation or other reasons), 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 and pay any other amounts required under the relevant Priority of Payments to be paid *pari passu* with, or in priority to, the Notes, on any Interest Payment Date on or after the date on which:

(a) on or before the occasion of the next Interest Payment Date, the Issuer would become subject to tax on its income in more than one jurisdiction;

(b) on the occasion of the next Interest Payment Date, the Issuer or a person acting on behalf of the Issuer, would be required to make any withholding or deduction for or on account of any Taxes from any payment of principal or interest in respect of any of the Notes;

(c) on or before the occasion of the next Interest Payment Date, the Issuer would suffer any withholding or deduction from any payment in respect of a Loan for or on account of any Taxes;

(d) by reason of a change of law since the Closing Date, it has become or will become unlawful for the Issuer to make, lend or to allow to remain outstanding all or any advances made or to be made by it under a Credit Agreement; or

(e) an Interest Rate Swap Tax Event occurs and:

(i) the Issuer cannot avoid such Interest Rate Swap Tax Event by taking reasonable measures available to it;

(ii) the Interest Rate Swap Provider is unable to transfer its rights and obligations thereunder to another branch, office or affiliate to cure the Interest Rate Swap Tax Event; and

(iii) the Issuer is unable to find a replacement interest rate swap provider (the Issuer being obliged to use reasonable efforts to find a replacement interest rate swap provider).

Redemption upon exercise of Servicer Call Option:

The Master Servicer or the Special Servicer, as applicable, may prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, subject as provided in **Condition 5.4** (Redemption upon exercise of Servicer Call Option) upon (i) the Master Servicer or the Special Servicer, as applicable, giving written notice to the Issuer and the Trustee; and (ii) the Issuer giving not more than 60 and not less than 30 days' prior written notice to the Trustee and the Noteholders, purchase the Loans on any Interest Payment Date in accordance with the terms of the Servicing Agreement and provided that the Master Servicer or the Special Servicer, as applicable, has satisfied the Trustee that as a consequence of the purchase of the Loans the Issuer will have sufficient funds available to redeem all, but not some only, of the Notes (other than the Class X Notes) in full at their Principal Amount Outstanding together with the accrued interest on the Notes and any amount required under the relevant Priority of Payments to be paid on such Interest Payment Date which rank *pari passu* with, or in priority to, amounts due in respect of the Notes under the relevant Priority of Payments.

On the exercise of the Servicer Call Option, the Class X Notes will be redeemed solely from amounts standing to the credit of the Class X Principal Account.

Principal Amount Outstanding and Write-Downs:

Principal Amount Outstanding means, in respect of any Note at any time, the principal amount represented by that Note as at the Closing Date as reduced by (i) any payment of principal to the holder of the Note up to (and including) that time; and (ii) the aggregate amount of all Allocated Loan Principal Write-Down Amounts (as defined below) in respect of such Note that have arisen on or prior to such date of calculation.

Following an Adjusted Loan Principal Loss (as defined below) in relation to a relevant Loan, the Principal Amount Outstanding of the then most junior Class of Notes (other than the Class X Notes) may, in certain circumstances, be subject to write-downs (see **Condition 5.8** (Principal Amount Outstanding and Write-Downs)).

No purchase of Notes by the Issuer:

The Issuer will not be permitted to purchase any of the Notes.

Interest rates:

Each Class of Notes (other than the Class X Notes) will initially bear interest calculated as the sum of LIBOR (as defined in **Condition 4.3** (Rates of Interest)) plus the relevant Margin. The Class X Notes will bear interest at a rate equal to the Class X Interest Rate (as calculated in **Condition 4.3** (Rates of Interest).

The interest rate margin applicable to each Class of Notes (other than the Class X Notes) will be as follows (each, a **Margin**):

Class	**Margin (% p.a.)**
Class A Notes	0.17
Class B Notes	0.25
Class C Notes	0.46
Class D Notes	0.79
Class E Notes	2.90

Interest on the Class E Notes:

Notwithstanding any other provisions of any Transaction Document or the Conditions of the Notes, (including, without limitation, with regard to any deferral of interest), if the amount of interest that would be otherwise due and payable in respect of the Class E Notes is in excess of the Class E Adjusted Interest Payment and such difference has arisen as a consequence of a reduction in the interest bearing balance of a Loan as a result of prepayment, the interest payable in respect of the Class E Notes will be subject to a cap (the **Class E Available Funds Cap**) and will be capped at the Class E Adjusted Interest Payment.

To the extent that there is a difference between the interest that would have been payable but for the paragraph above and the Class E Adjusted Interest Payment, such difference (the **AFC Excess Interest Amounts**) will be extinguished on such Interest Payment Date and the affected Noteholder will have no further claim against the Issuer in respect of such amounts.

The ratings from the Rating Agencies do not address the likelihood of receipt by any Class E Noteholder of any AFC Excess Interest Amounts.

Class E Adjusted Interest Payment will be an amount equal to:

(a) as applicable on that Interest Payment Date, Adjusted Available Issuer Income available for application under the Pre-Acceleration Revenue Priority of Payments or the Post-Enforcement/Pre-Acceleration Priority of Payments, as applicable on that Interest Payment Date or funds available for application under the Post-Acceleration Priority of Payments for distribution on any other date following service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full; **minus**

(b) the sum of all amounts payable out of, as applicable, Adjusted Available Issuer Income under the Pre-Acceleration Revenue Priority of Payments or the Post-Enforcement/Pre-Acceleration Priority of Payments, as applicable or funds available for application under the Post-Acceleration Priority of Payments in priority to payments of interest on the Class E Notes in accordance with the applicable Priority of Payments.

Interest on the Class X Notes:

The aggregate amount of interest payable on the Class X Notes will be an amount equal to the Expected Class X Interest Amount.

Expected Class X Interest Amount will be an amount equal to:

(a) on each Interest Payment Date prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Expected Available Issuer Income after deducting Administrative Costs and amounts of interest due and payable on the Notes (other than the Class X Notes), subject to, in the case of Expected Class X Interest Amount in respect of the Interest Payment Date falling in April 2007, a cap (the **Class X Initial Cap**) of £42,000; or

(b) on any day following the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, the available receipts after deducting amounts required to pay Administrative Costs and all amounts of interest and principal due in respect of the Notes (other than the Class X Notes).

Expected Available Issuer Income means with respect to an Interest Period the amount of Available Issuer Income that would have been available to the Issuer on the Interest Payment Date falling at the end of such Interest Period assuming full and timely payment by the Borrower of amounts due and payable under the Loans on the relevant Loan Interest Payment Date falling in the relevant Collection Period.

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

Administrative Costs means, for any Interest Period, the sum of all fees, costs and expenses or other remuneration and indemnity payments, inclusive of VAT, if applicable, estimated on the relevant Interest Determination Date by the Cash Manager to be payable by the Issuer on the Interest Payment Date related to such Interest Period in accordance with items (a) to (p) and (t) (other than interest on the Notes) of the Pre-Acceleration Revenue Priority of Payments and the Post Enforcement/Pre-Acceleration Priority of Payments and items (a) to (n) (other than principal and interest on the Notes) of the Post-Acceleration Priority of Payments together with (in the case of the Pre-Acceleration Revenue Priority of Payments only) any Revenue Priority Amounts to be paid during the relevant Interest Period prior to the related Interest Payment Date.

The amount of Administrative Costs payable with respect to any Interest Payment Date will vary to the extent that some are payable on an annual basis while other fees are payable on a quarterly basis and the actual Administrative Costs may vary from the estimate of the Administrative Costs as determined on each Interest Determination Date. In respect of either (a) any shortfall resulting therefrom in respect of items (a) to (d) and (p) of the Pre-Acceleration Revenue Priority of Payments and the Post Enforcement/Pre-Acceleration Revenue Priority of Payments (the **Senior Administrative Costs**) or (b) the event that after any Calculation Date, the Issuer becomes liable to pay any Senior Administrative Costs not already taken into account in the calculation of the Class X Interest Amount determined for the following Interest Period (in either case an **Administrative Costs Shortfall**): (i) funds may be drawn from amounts standing to the credit of the Administrative Costs Reserve Account; and (ii) to the extent that the amounts standing to the credit of the Administrative Costs Reserve Account are insufficient to cover such shortfall, the Cash Manager may make an Expenses Drawing under the Liquidity Facility Agreement.

Class X Additional Amounts:

In addition to any Expected Class X Interest Amount, the Class X Noteholders will, on each Interest Payment Date, be paid Class X Additional Amounts (if any).

Class X Additional Amounts means, in respect of each Interest Payment Date prior to the service of an Acceleration Notice or the Notes otherwise becoming due and payable in full and following the service of an Acceleration Notice or the Notes otherwise becoming due and payable in full, on each day, the aggregate of:

(a) all amounts received or recovered by or on behalf of the Issuer in respect of any Prepayment Fees;

(b) the amounts paid in accordance with item (r) of each of the Pre-Acceleration Revenue Priority of Payments and the Post Enforcement/Pre-Acceleration Priority of Payments and following the service of an Acceleration Notice, amounts paid in accordance with item (o) of the Post-Acceleration Priority of Payments;

(c) any amount identified and paid as Class X Additional Amounts in the Pre-Acceleration Principal Priority of Payments; and

(d) on the Final Maturity Date or, if earlier, the date on which the Notes have been redeemed in full, all amounts standing to the credit of the Administrative Costs Reserve Account.

The ratings from the Rating Agencies do not address the likelihood of receipt by Class X Noteholder of any Class X Additional Amounts.

Interest Payments: Interest will be payable on the Notes quarterly in arrear on 25 January, 25 April, 25 July and 25 October in each year, unless the same is not a Business Day, in which case it shall be postponed to the following Business Day in the same calendar month (if there is one) or brought forward to the previous Business Day (if there is not) (each, an **Interest Payment Date**). For these purposes, **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 London and Dublin. The Noteholders will be entitled to receive a payment of interest only in accordance with the relevant Priority of Payments (as described in *Cashflows* below).

Deferral of Interest: Failure by the Issuer to pay interest on the Class A Notes (or the Most Senior Class of Notes which is still outstanding (as defined in the Conditions (other than the Class X Notes)) when due and payable (after a grace period has passed) will result in a Note Event of Default which may result in the Trustee serving an Acceleration Notice. To the extent that funds available to the Issuer on any Interest Payment Date, after paying any interest then accrued due and payable on the Most Senior Class of Notes then outstanding, are insufficient to pay in full interest otherwise due on any one or more classes of more junior-ranking Notes then outstanding, the shortfall in the amount then due will not be paid on such Interest Payment Date but, subject to the Class E Available Funds Cap in respect of the Class E Notes, will be deferred and will only be paid, in accordance with the relevant Priority of Payments on subsequent Interest Payment Dates if and when permitted by subsequent cash flows which are available after the Issuer's higher priority liabilities pursuant to the relevant Priority of Payments have been discharged. Any interest not paid on the Notes when due 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 relevant Priority of Payments (as described in *Cashflows* below).

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.

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

The Class X 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.

The Class E 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 *United Kingdom Taxation* below.**

Security for the Notes: The Notes will be secured pursuant to a deed of charge made between, amongst others, the Issuer and the Trustee 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 and the other 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 Loans and the Loan Security;

(b) a first ranking assignment of its rights under the other Transaction Documents to which it is a party;

(c) a first fixed charge of its rights to all monies standing to the credit of the Issuer Accounts;

(d) a first fixed charge of its interest in any Eligible Investments or other investments made by it or on its behalf; and

(e) a first floating charge over the whole of its undertaking and of its property and assets not already subject to fixed security.

Transaction Documents means the Trust Deed, the Issuer Deed of Charge, the Servicing Agreement, the Cash Management Agreement, the Bank Account Agreement, the Corporate Services Agreement, the Loan Sale Documents, the Liquidity Facility Agreement, the Interest Rate Swap Agreement, the Agency Agreement, the Subscription Agreement, the Master Definitions Schedule and any other document designated as such by the Issuer and/or the Trustee (each, a **Transaction Document**).

Prior to the delivery of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, payments of interest in respect of each Class of Notes will rank in accordance with the Pre-Acceleration Revenue Priority of Payments and payments of principal will rank in accordance with the Pre-Acceleration Principal Priority of Payments (as described in

Cashflows and **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds) below). If the Trustee takes any steps to enforce the Issuer Security (but prior to service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full) the Trustee (or, with the consent of the Trustee, the Cash Manager on its behalf) shall make payments in respect of each Class of Notes in accordance with the Post-Enforcement/Pre-Acceleration Priority of Payments (as described in *Cashflows* below). Upon the delivery of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, payments in respect of each Class of Notes will rank in accordance with the Post-Acceleration Priority of Payments (as described in *Cashflows* below).

Payments of principal in respect of the Class X Notes will be made solely from amounts standing to the credit of the Class X Principal Account. Other than amounts paid up to (and including) the Interest Payment Date falling in April 2007, principal will not be paid in respect of the Class X Notes unless all the other Classes of Notes have been redeemed in full. On the Interest Payment Date falling in April 2007, the Issuer or the Cash Manager on its behalf will apply £20,000 in respect of each Class X Note, solely from amounts standing to the credit of the Class X Principal Account in partial redemption of the Class X Notes.

Transfer restrictions:

The Notes have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States or any other relevant jurisdiction and unless so registered may not be offered or sold within the United States or to, or for the benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable state securities laws. Accordingly, the Rule 144A Notes are being offered and sold only to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act) that are also "Qualified Purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder and the Reg S Notes are being offered and sold only to persons (other than U.S. Persons) outside the United States, pursuant to Regulation S under the Securities Act.

For a description of certain restrictions on resales or transfers of the Notes, see *Transfer Restrictions*.

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.

Governing law:

The Notes and the other Transaction Documents will be governed by English aw.

RISK FACTORS

Set out in this section is a summary of certain issues of which prospective Noteholders should be aware before making a decision as to whether or not to invest in Notes of any Class. This summary is not intended to be exhaustive. Therefore, prospective holders of the Notes should also read the detailed information set out elsewhere in this Prospectus 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 any amount due 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) the Seller, the Finance Parties (other than the Issuer), the Arranger, the Lead Manager, the Trustee, the Share Trustee, the Liquidity Facility Provider, the Interest Rate Swap Provider, the Master Servicer, the Special Servicer, the Paying Agents, the Agent Bank, the Corporate Services Provider or the Account Bank, or by any entity affiliated to any of the foregoing.

Limited recourse to the Issuer

The Notes will be limited recourse obligations of the Issuer. The ability of the Issuer to meet its obligations under the Notes will be directly or indirectly dependent primarily upon the receipt by it of principal and interest from the Borrowers under the Loans (see further *Considerations relating to the Loans and the Loan Security* below), the receipt of funds (if available to be drawn) under the Liquidity Facility Agreement, the receipt of funds from the Interest Rate Swap Provider and the receipt of funds under the Security Agreements. 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 and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes. Following an Adjusted Loan Principal Loss (as defined below) in relation to a relevant Loan, the Principal Amount Outstanding of the most junior Class of Notes may, in certain circumstances, be subject to write-down (see **Condition 5.8** (Principal Amount Outstanding and Write-Downs)) for the purpose of determining the amounts of principal and interest which thereafter fall due for payment in accordance with the Conditions.

Upon enforcement of the security for the Notes, the Trustee or any receiver and the Noteholders will have recourse only to the Loans, the Issuer's interest in the relevant Related Security and to any other assets of the Issuer then in existence as described in this document. In the event that the Issuer Security has been enforced by the Trustee and the Trustee has determined that the proceeds of enforcement are insufficient after payment of all other claims ranking in priority to the Notes and after the application of any such proceeds to the Notes under the Post-Acceleration Priority of Payments to pay any further principal, interest or any other amounts due in respect of 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 owed in respect of the Notes. It should be noted that, upon acceleration of the security, the Issuer will not be able to make any further drawings under the Liquidity Facility Agreement.

Principal Losses

The Principal Amount Outstanding of each Note (other than the Class X Notes) will be reduced by the corresponding amount of any Adjusted Loan Principal Losses that are applied against each Note (other than the Class X Notes) of the relevant class. Noteholders will have no claim against the Issuer in respect of the amount by which the Principal Amount Outstanding of any Notes (other than the Class X Notes) has been so reduced.

Ratings of the Notes

The ratings assigned to each Class of Notes by the Rating Agencies are based on the Loans (subject to the Intercreditor Agreements and the Agora Max Intercreditor Agreement, the Loan Security, the Portfolio and other relevant structural features of the transaction, including, among other things, the short-term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider, the Interest Rate Swap Provider and the Account Bank. These ratings reflect only the views of the Rating Agencies.

The ratings do not represent any assessment of the yield to maturity that a Noteholder may experience or the possibility that Noteholders may not recover their initial investments if unscheduled receipts of principal result from a prepayment, a default and acceleration or from the receipt of funds with respect to the compulsory purchase of a Property or Properties.

The ratings address the likelihood of full and timely receipt by any of the Noteholders of interest on the Notes (subject in the case of the Class E Notes to the Class E Available Funds Cap) and the likelihood of receipt by any Noteholder of principal of the Notes by the Final Maturity Date. The ratings from the Rating Agencies do not address the likelihood of receipt by any Noteholder of principal on any date prior to 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 judgement of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the other ratings, the market value and/or liquidity of the Notes of any Class. The ratings from the Rating Agencies do not address the likelihood of receipt by Class X Noteholder of any Class X Additional Amounts.

Credit rating agencies other than Fitch, Moody's, S&P and DBRS 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, Moody's, S&P and DBRS, those unsolicited ratings could have an adverse effect on the market value and/or liquidity of the Notes of any Class. In this Prospectus, all references to ratings in this Prospectus are to ratings assigned by the Rating Agencies (namely Fitch, Moody's, S&P and DBRS).

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, the Noteholders and the other Issuer Secured Creditors. In making such a determination, the Trustee will 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 any event, matter or thing.

It should be noted, however, that the decision as to whether or not to confirm any particular rating may be made on the basis of a variety of factors, and no assurance can be given that any confirmation will be given or that any such confirmation will not be given in circumstances where the relevant proposed matter, event or thing 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) and, in any event, there can be no assurance that the Rating Agencies would provide any such confirmation.

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. 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. 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.

Denominations and trading

The Notes of each class will be issued in the minimum authorised denomination of £50,000 and higher integral multiples of £1,000. If Definitive Notes for that Class of Notes are required to be issued and printed, such Definitive Notes will be printed and issued only in denominations of £50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000. No Definitive Notes will be issued in a denomination above £99,000.

The Notes have a denomination consisting of a minimum authorised denomination of £50,000 plus higher integral multiples of £1,000. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such minimum authorised denomination. In such a case, if Definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a Definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

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

Furthermore, at any meeting of Noteholders of any class while the Notes of that class are represented by a Global Note, any vote cast will be valid only if it is in respect of at least £50,000 in nominal amount and will be cast in respect of each £1 (or such other amount as the Trustee may in its absolute discretion stipulate) in principal amount outstanding of the Notes held or represented by the person voting. The quorum requirements for meetings of Noteholders will also disregard any holdings to the extent that they cannot be represented by a holding of at least £50,000.

Availability of Liquidity Facility

Under the Liquidity Facility Agreement, the Liquidity Facility Provider will (prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full) make available to the Issuer the £50,000,000 Liquidity Facility which will decrease as the outstanding principal balance of

the Loans decrease in accordance with the terms of the Liquidity Facility Agreement but will not decrease below the lower of £50,000,000 and 9 per cent. of the outstanding principal balance of the Loans at any time or such lower amount as the Rating Agencies confirm will not adversely affect the then current ratings (if any) of any Class of Notes. The Liquidity Facility will be available to the Issuer if, amongst other things, a Borrower fails to make payments of scheduled interest under the Loans and in respect of the payment of certain revenue items of the Issuer and certain costs of the Borrower. Liquidity Drawings under the Liquidity Facility will therefore assist the Issuer in making payments of, among other things, interest in respect of the Notes.

The initial Liquidity Facility will expire 364 days after the Closing Date, although it is extendable for successive periods of up to 364 days. The Liquidity Facility Provider 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 will, 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 *Transaction Documents – Liquidity Facility Agreement* below.

The Liquidity Facility Provider will be entitled to receive interest and repayments of principal on drawings made under the Liquidity Facility Agreement in priority to payments to be made to Noteholders (which may ultimately reduce the amount available for distribution to Noteholders).

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

Payments of interest in respect of the Class X Notes and payments of principal and interest in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be subordinated to payments of principal and interest in respect of the Class A Notes. Payments of interest in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be subordinated to the payments of interest in respect of the Class X Notes (although principal on the Class X Notes will be repaid solely from amounts standing to the credit of the Class X Principal Account). Payments of principal and interest in respect of the Class C Notes, the Class D Notes and the Class E Notes will be subordinated to payments of principal and interest in respect of the Class B Notes. Payments of principal and interest in respect of the Class D Notes and the Class E Notes will be subordinated to payments of principal and interest in respect of the Class C Notes. Payments of principal and interest in respect of the Class E Notes will be subordinated to payments of principal and interest in respect of the Class D Notes.

If, on any Interest Payment Date when there are Class A Notes outstanding, the Issuer has insufficient funds (including any funds available to be drawn for that purpose under the Liquidity Facility Agreement) to make payment in full of interest due on the Class X Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, then the Issuer will be entitled (under **Condition 15** (Subordination by Deferral) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. This will not constitute a Note Event of Default. If there are no Class A Notes (except as provided below) then outstanding, the Issuer will be entitled to defer payments of interest in respect of the Class X Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes only. If there are no Class X Notes outstanding, the Issuer will be entitled to defer payments of interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. If there are no Class B Notes outstanding, the Issuer will be entitled to defer payments of interest in respect of the Class C Notes, the Class D Notes and the Class E Notes only. If there are no Class C Notes outstanding, the Issuer will be entitled to defer payments of interest in respect of the Class D Notes and the Class E Notes. If there are no Class D Notes outstanding, the Issuer will not be entitled to defer payments of interest in respect of the Class E Notes.

The terms on which the Issuer Security will be held will provide that, both before and after service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, certain payments (including all amounts payable to any receiver, the Trustee, all amounts due to the Master Servicer, the Special Servicer, the Cash Manager, the Corporate Services Provider, the Account Bank, the Paying Agents and the Agent Bank, all payments due to the Liquidity Facility Provider under the Liquidity Facility (other than in respect of Liquidity Subordinated Amounts) and all payments due to the Interest Rate Swap Provider under the Interest Rate Swap Agreement (other than Subordinated Interest Rate Swap Amounts)) will be made in priority to payments in respect of interest and principal on the Class A Notes. Upon service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, all amounts owing to the Class A Noteholders will rank higher in priority to all amounts owing to the Class X Noteholders (other than in respect of principal), all amounts owing to the Class X Noteholders (other than in respect of principal, which will be paid solely from amounts standing to the credit of the Class X Principal Account) will rank higher in priority to all amounts owing to the Class B Noteholders, all amounts owing to the Class B Noteholders will rank higher in priority to all amounts owing to the Class C Noteholders, all amounts owing to the Class C Noteholders will rank higher in priority to all amounts owing to the Class D Noteholders and all amounts owing to the Class D Noteholders will rank higher in priority to all amounts owing to the Class E Noteholders.

Interest Payments on the Class E Notes

On each Interest Payment Date, the maximum amount of interest then due and payable on the Class E Notes will be limited to the amount equal to the lesser of (a) interest due on the Class E Notes calculated in accordance with **Condition 4.3(a)** (Rates of Interest) on the Interest Payment Date (the **Class E Interest Amount**), and (b) the Class E Adjusted Interest Payment on such Interest Payment Date to the extent that the difference between the Class E Interest Payment and the Class E Adjusted Interest Payment on a Interest Payment Date is attributable to a reduction in the interest-bearing balance of the Loans as a result of prepayments. The debt that would otherwise be represented by such difference will be extinguished on such Interest Payment Date, and the affected Noteholders will have no claim against the Issuer in respect of such difference.

Conflict of interests between Classes of Noteholders

The Trustee will be required, in performing its duties as trustee under the Trust Deed, to have regard to the interests of all the Classes of Noteholders together (other than the Class X Noteholders (save in respect of a Class X Consent Notice)). However, if (in the sole opinion of the Trustee) there is a 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 all purposes when the Trustee performs its duties under the Trust Deed and/or the Issuer Deed of Charge, 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.

Limited rights of Class X Notes and interest on the Class X Notes

The Class X Notes will not have all of the rights of the other Notes. The Class X Notes will not receive regular payments of principal, will not have any voting rights and will not be permitted to vote on any Extraordinary Resolutions or other resolutions or become the Controlling Creditor. In addition, the Class X Noteholders will not be able to direct an enforcement of the Issuer Security by the Trustee. Interest on the Class X Notes will comprise the Expected Class X Interest Amount. In addition, the Class X Noteholders will receive Class X Additional Amounts (if any). The ratings from the Rating Agencies do not address the likelihood of receipt by Class X Noteholder of any Class X Additional Amounts.

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 is 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 entitle the Issuer to redeem the Notes in accordance with **Condition 5.2** (Redemption for taxation or other reasons) at their then Principal Amount Outstanding (plus accrued interest but excluding any premium) if the Issuer has sufficient funds available, 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 applicable rate of interest on each Class of the Notes, the amount and timing of receipt by the Issuer of amounts of principal and interest in respect of the Loans and the purchase price paid by the holders of the Notes. Such yield may be affected by one or more prepayments in respect of any of the Loans.

The yield to maturity on the Class X Notes will be highly sensitive to the rate and timing of principal payments and collections (including by reason of a voluntary or involuntary prepayment, or a default and liquidation) on the Loans. Investors in the Class X Notes should fully consider associated risks, including the risk that a faster than anticipated rate of principal payments and collections could result in a lower than expected yield, and an early liquidation of the Loans could result in the failure of such investors to fully recoup their initial investments in respect of any premium above the £50,000 initial Principal Amount Outstanding of each of the Class X Notes as of the Closing Date.

Each Borrower has the option to prepay its Loan at any time, although, if a Borrower chooses to do so before the end of the relevant period as set out in the relevant Credit Agreement, it may be required to pay certain Prepayment Fees and Break Costs. Any Prepayment Fees will go towards payments of certain Class X Additional Amounts in respect of the Class X Notes and will not be available to make any payments in respect of the Notes (other than the Class X Notes). Certain Break Costs will be applied in accordance with the Break Costs Priority of Payments primarily to fund any termination costs due to the Interest Rate Swap Provider as a result of such prepayment, and thereafter will be applied as Deferred Consideration to the Seller. For further information, see *Cashflows* below.

Subject as stated below, if a Relevant Borrower prepays a Loan in whole or in part, the Issuer will effect a redemption of the Notes (in accordance with **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds)).

In addition, in certain circumstances the Junior Lender will, in accordance with the terms of the relevant Intercreditor Agreement, have the right to purchase the Senior Adelphi Loan or the Criterion Loan, as applicable. Any purchase by the Junior Lender will effect a redemption of the Notes in accordance with **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds).

Further, in relation to the GLP Revolver Loans and the Adelphi Revolver Loans, upon cancellations thereof in accordance with their respective terms, the Issuer will apply the relevant redemption proceeds to redeem the Notes in accordance with **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds).

Investment Company Act

The Issuer has not registered and does not intend to register with the SEC as an investment company pursuant to the Investment Company Act in reliance on an exception to the definition of investment company for issuers (a) whose outstanding securities are owned exclusively by Qualified Purchasers, within the meaning of section 2(A)(51) of the Investment Act, and (b) which do not make a public offering of their securities in the United States. As a result, investors in the Notes will not benefit from the protections of the Investment Company Act offered to investors in registered investment companies.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the Investment Company Act, has failed to register as an investment company, possible consequences include, but are not limited to, the following: (a) the SEC could apply to a district court to enjoin the violation; (b) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (c) any contract to which the Issuer is a party that is made in, or whose performance involves, a violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

Book-Entry Interests

Unless and until Definitive Notes are issued in exchange for the Book-Entry Interests, holders and beneficial owners of Book-Entry Interests will not be considered the legal owners or holders of Notes under the Trust Deed. After payment to the Principal Paying Agent, the Issuer will not have responsibility or liability for the payment of interest, principal or other amounts to the Depositary, the Common Depositary or to holders or beneficial owners of Book-Entry Interests. The Depositary or its nominee will be the sole legal Noteholder under the Trust Deed while the Notes are represented by the Global Notes. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of the Depositary, Euroclear and Clearstream, Luxembourg and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise any right of a Noteholder under the Trust Deed.

Payments of principal and interest on, and other amounts due in respect of, the Global Notes will be made to the Depositary (as holder of the Global Notes), which will in turn distribute payments to the nominee of the Common Depositary. Upon receipt of any payment from the Depositary, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Book-Entry Interests as shown on their records. The Issuer expects that payments by participants or indirect participants to owners of interests in Book-Entry Interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Trustee, the Depositary, any Paying Agent or the Registrar (as defined in *Terms and Conditions of the Notes*) will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests, or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike Noteholders, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or

Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of a Note Event of Default under the Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear, Clearstream, Luxembourg and the Depositary unless and until Definitive Notes are issued in accordance with the relevant provisions described herein under *Terms and Conditions of the Notes.* There can be no assurance that the procedures to be implemented by Euroclear, Clearstream, Luxembourg and the Depositary under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed. For a description of the terms of the Depositary Agreement, see *Form of the Notes.*

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg, or their respective account holders, of their respective obligations under the rules and procedures governing their operations.

Certain transfers of Notes or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements. See *Notice to Investors.*

Certain U.S. Federal Income Tax Considerations

The U.S. federal income tax treatment of the Notes will depend upon whether the Notes are classified as debt or equity for U.S. federal income tax purposes. However, there are no authorities directly addressing similar transactions involving instruments issued by an entity with terms similar to those of the Notes. As a result, certain aspects of the U.S. federal income tax consequences of an investment in the Notes are not entirely certain.

The Issuer intends to treat the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as debt for U.S. federal income tax purposes. Each U.S. Holder, by purchasing a Class A Note, Class B Note, Class C Note or Class D Note, agrees to treat the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as debt for U.S. federal income tax purposes. Upon the issuance of the Notes, the Issuer will receive an opinion from Allen & Overy LLP (**U.S. Tax Counsel**) that although there is no statutory, judicial or administrative authority directly addressing the characterization of the Notes for U.S. federal income tax purposes, the Class A Notes, the Class B Notes and the Class C Notes will, when issued, be treated as indebtedness for U.S. federal income tax purposes. Only the persons to whom the opinion is addressed may rely upon the foregoing opinion and such opinion will not be binding upon the Internal Revenue Service (**IRS**) or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Notes. Accordingly, there can be no assurances that the IRS will not contend, and that a court will not ultimately hold, that any of the Class A Notes, Class B Notes, Class C Notes or Class D Notes are equity in the Issuer or that any of the other items discussed below are treated differently. If any of the Class A Notes, Class B Notes, Class C Notes or Class D Notes were treated as equity in the Issuer for U.S. federal income tax purposes, there might be adverse tax consequences upon the sale, exchange, or other disposition of, or the receipt of certain types of distributions on, such Notes by a U.S. Holder as discussed under *—U.S. Federal Income Tax Considerations—Taxation of U.S. Holders of Notes—Tax Considerations Applicable to the Class E Notes and Class X Notes* below.

Although issued in the form of debt, given the subordination level and other terms of the Class E Notes, and the terms of the Class X Notes, the Issuer intends, and by purchasing the Class E Notes or Class X Notes, holders of the Class E Notes or Class X Notes agree, to treat the Class E Notes and

Class X Notes as equity for U.S. federal income tax purposes. A U.S. Holder of a Class E Note or Class X Note would be treated as owning an equity interest in a passive foreign investment company for U.S. federal income tax purposes. Accordingly, a U.S. Holder of a Class E Note or Class X Note may be subject to adverse tax consequences upon the sale, exchange, retirement or other disposition of, or the receipt of certain types of distributions on, such Note. In addition, the Issuer's income, gain or loss, as determined for U.S. federal income tax purposes, could impact the recognition of income, gain or loss with respect to the Class E Notes and Class X Notes by a U.S. Holder for U.S. federal income tax purposes. Any U.S. Holder should carefully review the discussion under *—U.S. Federal Income Tax Considerations—Taxation of U.S. Holders of Notes —Tax Considerations Applicable to the Class E Notes and Class X Notes* below prior to investing in the Notes.

Prospective investors should carefully review the discussion under —U.S. Federal Income Tax Considerations below regarding the characterization of, and the consequences of investing in, the Notes for U.S. federal income tax purposes, and should consult their tax advisors regarding the tax consequences of investing in the Notes under their particular circumstances.

ERISA Considerations

Although no assurances can be made, the conditions and restrictions on transfers of the Notes set forth under *Transfer Restrictions* and *U.S. ERISA Considerations* are intended to prevent the assets of the Issuer from being treated as the assets of a Plan for purposes of ERISA. If the assets of the Issuer were deemed to be "plan assets", certain transactions that the Issuer may have entered into in the ordinary course of business might constitute non-exempt prohibited transactions under ERISA and/or Section 4975 of the United States Internal Revenue Code of 1986, as amended (the **Code**), resulting in excise taxes or other liabilities under ERISA or the Code, and might have to be rescinded.

Each purchaser or transferee of the Class A, Class B, Class C or Class D Notes that is, or is acting on behalf of, a Plan that is subject to ERISA or Section 4975 of the Code will be deemed to represent and warrant that its acquisition and holding of Notes will not result in a non-exempt prohibited transaction under ERISA or the Code. The Class E Notes and the Class X Notes may not be purchased by or transferred to a Plan or a Plan Asset Entity (as defined herein).

UK Tax Consequences of Issuance of Definitive Notes

Upon the occurrence of certain events, holders of Book-Entry Interests will be entitled to receive Definitive Notes in registered form. Holders of a Definitive Note in registered form should be aware that, under current UK tax law, UK stamp duty or stamp duty reserve tax may be chargeable on a transfer or an agreement to transfer, as the case may be, of a Definitive Note in registered form.

B. Considerations relating to the Loans and the Loan Security

Late payment or non-payment of rent

There is a risk that rental payments due under a Lease on or before the relevant Loan Interest Payment Date will not be paid on the due date or will not be paid at all. If any payment of rent is not received on or prior to the immediately following Loan Interest Payment Date and any resultant shortfall is not otherwise compensated for from other resources, there may be insufficient cash available to the Relevant Borrower to make payments to the Issuer under the relevant Loan. Such a default by a Borrower may not itself result in a Note Event of Default since the Issuer will have access to other resources as mentioned above (specifically, payments made by the Relevant Borrowers in relation to other Loans and funds made available under the Liquidity Facility in respect of any shortfall in the amount of scheduled interest due under the Loans), 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.

Mandatory prepayment of the Loans

Borrowers may be obliged, in certain circumstances, to prepay a Loan in whole or in part prior to the Loan Maturity Date. These circumstances include on disposal of all or part of a relevant Property (where such Property has not been substituted (where such substitution is permitted in accordance with the terms of the relevant Credit Agreement)), on a change of control of the Relevant Borrower in certain cases or its shareholder (where relevant) and where it would be unlawful for the Lender to perform any of its obligations under a Finance Document or to fund or maintain its share in the relevant Loan or other circumstances set out in the relevant Credit Agreement, and are more particularly set out in *Transaction Summary – Key Characteristics of The Loans and the Loan Security Mandatory Prepayment* above. These events are beyond the control of the Issuer. Any such prepayment may result in the Notes being prepaid earlier than anticipated.

Refinancing risk

Each of the Loans are expected to have substantial remaining principal balances as at their respective maturity dates. However, some of the Loans will be subject to scheduled amortisation throughout the term of the relevant Loan. For further information in relation to Loan amortisation see *Loans and the Loan Security* below.

Unless previously repaid, each Loan will be required to be repaid by the Relevant Borrower in full on the relevant Loan Maturity Date. The ability of a Relevant Borrower to repay a Loan in its entirety on the Loan Maturity Date will depend, among other things, upon its having sufficient available cash or equity and upon its ability to find a lender willing to lend to the Relevant Borrower (secured against some or all of the relevant Properties) sufficient funds to enable repayment of the Loan and, if applicable, any termination payments due to a Loan Hedge Counterparty. Such lenders will generally include banks, insurance companies and finance companies. The availability of funds in the credit market fluctuates and no assurance can be given that the availability of such funds will remain at or increase above, or will not contract below, current levels. In addition, the availability of assets similar to the Properties, and competition for available credit, may have a significant adverse effect on the ability of potential purchasers to obtain financing for the acquisition of the Properties.

The Issuer and the Seller are under no obligation to provide any refinancing or enter into new hedging arrangements and there can be no assurance that a Borrower would be able to refinance a Loan.

If the Relevant Borrower cannot find such a lender, then the Relevant Borrower may be forced, in circumstances which may not be advantageous, into selling some or all of the Properties it owns in order to repay its Loan and, if applicable, any Loan Hedge Counterparty. Failure by the Relevant Borrower to refinance its Loan or to sell the Properties on or prior to the Loan Maturity Date may result in the Relevant Borrower defaulting on that Loan. In the event of such a default, the Noteholders, or the holders of certain Classes of Notes, may receive by way of principal repayment an amount less than the then Principal Amount Outstanding on their Notes and the Issuer may be unable to pay in full interest due on the Notes or, if an Adjusted Loan Principal Loss has occurred, the Principal Amount Outstanding of the Notes (other than the Class X Notes) will be written down in accordance with **Condition 5.8** (Principal Amount Outstanding and Write-Downs).

Security over bank accounts

Each Borrower has, in accordance with the terms of the relevant Credit Agreement, established a number of bank accounts into which, among other things, rental income and disposal proceeds in

respect of the relevant Properties must be paid (see further *The Loans and the Loan Security – Borrower Accounts* below). Each Chargor has, pursuant to the terms of a Security Agreement, granted security over all of its interests in the relevant accounts of the Chargor (other than in respect of the operating account and the service charge account of the Chargor in respect of the Agora Max Portfolio Loan and the redevelopment account opened under the Agora Max Senior B Loan (as defined in the relevant Credit Agreement)), which is, other than in the case of certain operating accounts, expressed to be a first fixed charge or an assignment of the funds standing to the credit of the relevant accounts. Furthermore, under the Issuer Deed of Charge, the Issuer will grant security over all of its bank accounts, which security will also be expressed to be fixed security.

Although the various bank accounts are stated to be subject to various degrees of control (for example, the Credit Agreements may provide that the Relevant Security Agent or Lender, as applicable, is to have signing rights or sole signing rights over the Rent Account), there is a risk that, if the Relevant Security Agent or the Trustee (as appropriate) does not exercise the requisite degree of control over the relevant accounts in practice, a court could determine that the security interests granted in respect of those accounts take effect as floating security interests only notwithstanding that the security interests are expressed to be fixed. In such circumstances, monies paid into accounts could be diverted to pay preferential creditors and certain other liabilities were a receiver, liquidator or administrator to be appointed in respect of the relevant entity in whose name the account is held.

In relation to the Agora Max Portfolio Loan and the Wakefield Europort Loan, to the extent that security relates to bank accounts that are governed by the laws of the Isle of Man, security has been obtained by virtue of a security interest agreement, which is governed by the laws of the Isle of Man. In order not to be void against a liquidator and any creditor a security interest granted by an Isle of Man company must be delivered to the Isle of Man Financial Supervision Commission at its Companies Registry (together with prescribed particulars) within one month of the date of its creation. Priority between equivalent security in the same collateral is determined by the order of creation of those security interests. In each case, the relevant Obligor has warranted that no security interests have been created in priority to the security interest granted in favour of the Security Agent. There is a risk, however, that, if such warranty is incorrect, then a third party may claim priority over such bank accounts.

In respect of the Adelphi Loans, to the extent that security relates to bank accounts that are held with a bank in Jersey and accordingly constitute Jersey situs assets, security has been obtained by virtue of a security interest agreement, which is governed by Jersey law. In order to create an effective security interest, it is necessary to demonstrate that title to the bank account has been assigned in favour of the Security Agent pursuant to a security interest agreement. There is no register of security interests in Jersey. Priority between security in the same collateral is determined by the order of creation of those security interests. The Adelphi Borrower has warranted that no security interests have been created in priority to the security interest granted in favour of the Security Agent. There is a risk, however, that, if such warranty is incorrect, then a third party may claim priority over such bank accounts.

Assignment of rents

Pursuant to the terms of the Security Agreements, each Chargor has assigned, by way of security or a Scottish assignation of rents, the rent receivable in respect of Leases to the Relevant Security Agent. Generally, so long as no receiver has been appointed and/or the mortgagee is not in possession or no Loan Event of Default is outstanding, no notice of the assignment is intended to be given to the Tenants under the Leases although, in relation to some Loans, notices were served on, or soon after, drawdown. Accordingly, these assignments, other than those in respect of which adequate written notice has already been given, will take effect as equitable assignments only and may be subject to any prior equities or claims, such as rights of set-off between the landlord and the relevant occupational Tenant. Each Borrower has covenanted in the relevant Credit Agreement, subject in the

case of some Loans to certain exceptions, not to dispose of assets (such as the rental income) to any other party. If the relevant Chargor(s) were to so assign the rents in breach of that provision and subsequently give notice of the assignment to the relevant 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 to accelerate the relevant Loan and enforce its Related Security.

Limited payment history

The Loans were originated within 15 months of the Closing Date. As such, the Loans do not have a long-standing payment history and there can be no assurance that required payments will be made or, if made, will be made on a timely basis.

Recent acquisition of the Properties

As the Greater London Portfolio Loans, the Workspace Portfolio Loan, the Criterion Loan, (in respect of the Aberdeen Property) the Alba Gate Portfolio Loan, the Adelphi Loans, the Pitch 2 Portfolio Loan, the Nos 2 & 3 Portfolio Loan and the Gullwing Portfolio Loan, facilitated the acquisition or refinancing of the relevant Properties, the Obligors have limited experience in operating the relevant Properties and, therefore, there is a risk that the net operating income and cash flow of such Properties may vary significantly from the operations, net operating income and cash flow generated by the Properties under prior ownership and management.

Sufficiency of Obligors' assets

Payments in respect of the Notes are dependent on the receipt of funds under the Loans and, where necessary and applicable, the Liquidity Facility Agreement and the Interest Rate Swap Agreement. In turn, recourse on the Loans is generally limited to the Borrowers and any other Obligors, whose assets (in each case the Properties and other assets security over which has been created to secure the Loans) will be limited and whose business activities, in the case of each Borrower, are limited to owning, financing and otherwise dealing with such assets. Under the Agora Max Portfolio Loan, recourse against the trustees of the Agora Max Borrowers is limited to the assets of the relevant unit trust. However, the Lender has full recourse against the relevant Borrower's Property or Properties, as applicable, and the relevant Borrower has given full fixed and (except in the case of one of the property owners in respect of the Agora Max Portfolio Loan, the Forster Hall Loan, the Pitch 2 Portfolio Loan and in the case of the Wakefield Europort Loan) floating security against its interests in the relevant Property or Properties and all its rights and assets held in relation to that Property or Properties. In respect of recourse against the relevant Borrower's Property or Properties in the case of the Workspace Borrower and the Pitch 2 Borrower the Lender's recourse is limited to the Relevant Borrower's interest in the Property or Properties and certain other rights and assets in relation to the Property or Properties. In respect of the Alba Gate Portfolio Loan, the Alba Gate Individual Borrower provides security over the Aberdeen Property and certain Borrower Accounts and, in respect of the Wakefield Europort Loan, the liability of the Wakefield Europort Individual Borrowers is limited to their partnership interests in the Related Security including a legal mortgage and the Property. Consequently, the ability of the Borrowers to make payments on the Loans prior to their respective maturity dates, and, therefore, the ability of the Issuer to make payments on the Notes prior to the Final Maturity Date, is dependent primarily on the sufficiency of the net operating income of the Properties.

If, following the occurrence of a Loan Event of Default and following the exercise by the Special Servicer of all remedies available to it in respect of the relevant Loan and any Related Security, the Issuer does not receive the full amount due from the relevant Borrower, then Noteholders (or the holders of certain classes of Notes) may receive by way of principal repayment an amount less than expected and the Issuer may be unable to pay in full interest due on the Notes. In addition, following

an Adjusted Loan Principal Loss (as defined below), the Principal Amount Outstanding of the most junior Class of Notes (other than the Class X Notes) may in certain circumstances be subject to write-down (see **Condition 5.8** (Principal Amount Outstanding and Write-Downs)). Noteholders will have no claim against the Issuer in respect of the amount by which the Principal Amount Outstanding of any Notes (other than the Class X Notes) has been so reduced (see *Risk Factors – Limited Recourse*).

Hedging risks

The Interest Rate Swap Transactions

All of the Loans (other than the Adelphi Loans, the Criterion Loan, the G-res 1 Portfolio Loan, the GLP Term Loan and the Agora Max Portfolio Loan) bear interest at a fixed rate, while each Class of the Notes bears interest at a rate based on three-month LIBOR plus a margin. In order to hedge interest rate risk, the Issuer will enter into the Interest Rate Swap Transactions pursuant to the Interest Rate Swap Agreement. There can be no assurance, however, that the Interest Rate Swap Transactions will adequately address unforeseen interest rate hedging risks. In certain circumstances, the Interest Rate Swap Agreement may be terminated and, as a result, the Issuer may be unhedged if replacement interest rate swap transactions cannot be entered into. In particular, Noteholders may suffer a loss if, as a result of a default by a Borrower under the relevant Credit Agreement, the Interest Rate Swap Transactions are terminated and the Issuer is, as a result of such termination, required to pay amounts to the Interest Rate Swap Provider. Certain of such amounts payable on an early termination rank senior to any payments to be made to the Noteholders both before enforcement of the Issuer Security and after enforcement of the Issuer Security.

Loan Hedging Arrangements

As at the Closing Date, each of the Adelphi Loan Hedge Counterparty, the Criterion Loan Hedge Counterparty, the G-res 1 Portfolio Loan Hedge Counterparty and the Greater London Loan Hedge Counterparty will be Barclays Bank PLC. Barclays Bank PLC will, on or prior to the Closing Date, have a rating assigned to its long-term unguaranteed, unsubordinated and unsecured debt obligations of "AA" by S&P, "AA+" by Fitch and "Aa1" by Moody's and to its short-term unguaranteed, unsubordinated and unsecured debt obligations of "A-1+" by S&P, "F1+" by Fitch, "P-1" by Moody's and "R-1 (high)" by DBRS. In order to reduce the credit risk the Relevant Borrower is taking in respect of the relevant Loan Hedge Counterparty, each of the Loan Hedging Arrangements provide that if the short-term, unsecured, unguaranteed and unsubordinated debt obligations of the Relevant Loan Hedge Counterparty cease to be rated as high as "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch or (in the case of the Adelphi Loan Hedging Arrangements and the Criterion Loan Hedging Arrangements) the long-term unsubordinated and unsecured debt obligations of the Adelphi Loan Hedge Counterparty and the Criterion Loan Hedge Counterparty cease to be rated as high as "A1" by Moody's (the **Minimum Adelphi Loan Hedge Counterparty Ratings** and the **Minimum Criterion Loan Hedge Counterparty Ratings**, respectively) or (in the case of the G-res 1 Portfolio Loan Hedging Arrangements and the Greater London Loan Hedging Arrangements) the long-term unsubordinated and unsecured debt obligations of the G-res 1 Portfolio Loan Hedge Counterparty and the Greater London Loan Hedge Counterparty cease to be rated as high as "A2" by Moody's or "A" by Fitch (the **Minimum G-res 1 Portfolio Loan Hedge Counterparty Ratings** and the **Minimum Greater London Loan Hedge Counterparty Ratings**, respectively), the Relevant Loan Hedge Counterparty, as applicable, at its option, must, within 30 days either (i) transfer collateral to the Issuer in accordance with the terms of the applicable credit support annex (which in certain circumstances is subject to independent third party verification); (ii) transfer its rights and obligations to an acceptable replacement third party with the Minimum Adelphi Loan Hedge Counterparty Ratings, the Minimum Criterion Loan Hedge Counterparty Ratings, the Minimum G-res 1 Portfolio Loan Hedge Counterparty Ratings or the Minimum Greater London Loan Hedge Counterparty Ratings, as applicable; (iii) find a co-obligor with the Minimum Adelphi Loan Hedge Counterparty

Ratings, the Minimum Criterion Loan Hedge Counterparty Ratings, the Minimum G-res 1 Portfolio Loan Hedge Counterparty Ratings or the Minimum Greater London Loan Hedge Counterparty Ratings, as applicable; or (iv) take such other actions as may be agreed with the Rating Agencies.

In respect of the Agora Max Portfolio Loan, the relevant Credit Agreement provides that at any time the Relevant Borrower may enter into hedging arrangements with the prior consent of the Relevant Security Agent, provided that the hedge counterparty is either HBOS Treasury Services PLC or Halifax PLC. As at the date of this Prospectus, the Agora Max Portfolio Loan Hedge Counterparties are HBOS Treasury Services PLC and Halifax PLC. HBOS Treasury Services PLC has, on the Cut-Off Date, a rating assigned to its long-term unguaranteed, unsubordinated and unsecured debt obligations of "AA-"by S&P, "AA" by Fitch, "Aa2" by Moody's and "AA (high)" by DBRS and to its short-term unguaranteed, unsubordinated and unsecured debt obligations of "A-1+" by S&P, "F1+" by Fitch, "P-1" by Moody's and "R-1 (middle)" by DBRS. Halifax PLC will, on or prior to the Closing Date, have a rating assigned to its long-term unguaranteed, unsubordinated and unsecured debt obligations of "AA" by S&P, "AAA" by Fitch and "Aa2" by Moody's and to its short-term unguaranteed, unsubordinated and unsecured debt obligations of "A-1+" by S&P, "F1+" by Fitch and "P-1" by Moody's.

In the event that the rating of the Greater London Loan Hedge Counterparty falls below the Minimum Greater London Loan Hedge Counterparty Ratings to a further specified level (as set out in the Greater London Loan Hedging Arrangements), the option of posting collateral will be subject to certain conditions or may no longer be available to the Greater London Loan Hedge Counterparty.

If the Greater London Loan Hedge Counterparty fails to take one of the above mentioned remedial measures within the time prescribed, then the Greater London Borrowers will (subject to the conditions set out in the Greater London Loan Hedging Arrangements) be entitled to terminate the Greater London Loan Hedging Arrangements.

Neither the Adelphi Borrowers nor the Greater London Borrowers are required to maintain any hedging in respect of either the Adelphi Revolver Loan or the GLP Revolver Loan (whether or not drawn).

In addition, Noteholders may suffer a loss if, as a result of a default or prepayment by a Borrower under a Credit Agreement, the relevant Loan Hedging Arrangements are terminated in whole or in part and the Borrower is required to pay amounts to the Loan Hedge Counterparty. Certain of such amounts payable on an early termination of the Loan Hedging Arrangements rank senior to any payments to be made to the Issuer as lender both before enforcement of the Related Security and after enforcement of the Related Security and may impact upon the availability of funds available to the Issuer to make payments in respect of the Notes.

The Loan Hedging Arrangements in respect of the Senior Adelphi Loan, the Agora Max Portfolio Loan, the Criterion Loan and the GLP Term Loan are scheduled to remain in place for several years after the maturity date of the relevant Loan. As certain sums due to the Loan Hedge Counterparties under the Loan Hedging Arrangements (other than in respect of the Agora Max Portfolio Loan) rank senior to sums payable to the Issuer as lender under such Loan, there is therefore a risk that on an enforcement, prepayment or final repayment of such Loan, the amount available to the Issuer to make payments to the Noteholders will be reduced to the extent that breakage or other costs are due to the Loan Hedge Counterparty. In addition, any breakage or other costs due to the Loan Hedge Counterparty may be greater than the breakage or other costs that would have otherwise been payable, had the relevant Loan Hedging Arrangements been scheduled to terminate on the maturity date of the relevant Loan.

In order to mitigate the effect of having breakage or other costs due to the Loan Hedge Counterparty ranking senior to amounts payable under the Loan, the Loan to Value covenants in respect of the Senior Adelphi Loan, the Criterion Loan and the GLP Term Loan, which is calculated on each Loan Interest Payment Date (and from time to time as required or permitted in accordance with the relevant Credit Agreement), takes into account the aggregate of the outstanding principal balance of the Loan and the Borrower's mark to market exposure under such Loan Hedging Arrangements in determining the ratio (expressed as a percentage) between that aggregate of the principal balance outstanding of the Loan and the Borrower's mark to market exposure and the aggregate value of the Property(ies) calculated in accordance with the relevant Valuation. As a result, any increase in the mark to market exposure under the Loan Hedging Arrangements may cause the Loan to Value covenant to be breached. Such breach would, in the event that the Borrower fails to remedy the breach by prepaying the Loan or depositing an amount sufficient to remedy the breach into the relevant Borrower Account, result in the occurrence of a Loan Event of Default that would entitle the Issuer to accelerate the Loan and enforce the Related Security. Such enforcement would result in the automatic termination of the Loan Hedging Arrangements and crystallise the related mark to market exposure.

Termination payments due to the Agora Max Portfolio Loan Hedge Counterparty will rank junior to amounts due to the Issuer, as lender, in respect of the Agora Max Portfolio Loan.

C. Considerations relating to the Obligors

Special purpose entity

Special purpose entity (**SPE**) covenants are generally designed to limit the activities and purposes of the borrowing entity to owning the related property, making payments on the related loan and taking such other actions as may be necessary to carry out the foregoing in order to reduce the risk that circumstances unrelated to the loan and related property result in a borrower bankruptcy. SPEs are generally used in commercial loan transactions to satisfy requirements of institutional lenders and recognised statistical rating organisations. In order to minimise the possibility that SPEs will be the subject of bankruptcy proceedings, provisions are generally contained in the borrower's organisational documents and/or documentation relating to mortgage loans that, among other things, limit the indebtedness that can be incurred by such entities and restrict such entities from conducting business as an operating company (thus limiting exposure to outside creditors). Additional debt increases the possibility that a Relevant Borrower would lack the resources to pay the relevant Loan.

All of the Loans contain provisions that require the Relevant Borrower to conduct itself in accordance with certain SPE covenants, which may include some or all of those covenants mentioned in the foregoing paragraph. However, there can be no assurance that the Relevant Borrower will be able to comply with the SPE covenants. In addition, there can be no assurance that all or most of the restrictions customarily imposed on SPEs by institutional lenders and recognised statistical ratings organisations will be complied with by the Borrowers and, even if all or most of such restrictions have been complied with by the Borrowers, there can be no assurance that such Borrowers will not nonetheless become insolvent. In respect of the Pitch 2 Portfolio Loan, limitations on the Relevant Borrower's activities are limited only in relation to any activities in respect of the Pitch 2 Trust and Pitch 2 Trust Fund.

The Obligors (other than in the case of the Alba Gate Portfolio Loan, the Wakefield Europort Loan and the Pitch 2 Portfolio Loan) were incorporated or formed for the purposes of acquiring (or refinancing the acquisition of) and holding interests in the property charged as security for the relevant Loan, or for acquiring the entire issued share capital or units in other companies or trusts owning the legal and beneficial interests in such property (whether directly or indirectly). In respect of the Alba Gate Portfolio Loan, one of the Relevant Borrowers is an individual and the other Relevant Borrower is an English limited liability partnership which has previously owned other

assets. In respect of the Wakefield Europort Loan, the Relevant Borrower is an Isle of Man partnership comprised of two individuals and an Isle of Man limited liability corporation. In respect of the Pitch 2 Portfolio Loan, the Relevant Borrower entered into the Credit Agreement solely in its capacity as trustee of the Pitch 2 Trust.

An insolvency would result in a Loan Event of Default with respect to the relevant Loan giving rise to an acceleration of such Loan and an enforcement of the Related Security. This could result in significant delays in the receipt by the Issuer of payments under the relevant Loan, which could adversely affect its ability to make all payments due on the Notes. **Loan Event of Default** means an event of default or, as applicable, a default or breach, under any Loan, as defined in the relevant Credit Agreement.

Security granted by the Obligors – Enterprise Act 2002

By an order made by the Under-Secretary of State for Small Business and Enterprise made on 8 August 2003, the provisions of the Enterprise Act 2002 (the **Enterprise Act**) amending certain corporate insolvency provisions of the Insolvency Act 1986 came into force on 15 September 2003. The Enterprise Act is applicable to the Obligors which are English companies. As a result of the amendments made by the Enterprise Act, unless a floating charge was created prior to 15 September 2003, or falls within one of the exceptions contained in the Enterprise Act, the holder of a qualifying floating charge will be prohibited from appointing an administrative receiver to a company and, consequently, will not have the ability to prevent the appointment of an administrator to such company.

The provisions of the Insolvency Act 1986 (as amended) apply to limited liability partnerships by virtue of the Limited Liability Partnerships Act 2000 (the **LLP Act 2000**) and the Limited Liability Partnership Regulations 2001 (the **LLP Regulations**), as amended by the Limited Liability Partnerships (Amendment) Regulations 2005 (the **LLP Amendment Regulations**). The LLP Amendment Regulations came into effect on 1 October 2005 and the following provisions of the Insolvency Act 1986 (as amended) apply in their amended form as of that date.

Because the Loans were originated after 15 September 2003, upon presentation of a petition for the appointment of an administrator in respect of an Obligor, the Seller or, as the case may be, the Issuer or the Trustee, will not have the right to appoint an administrative receiver so as to prevent the court making an administration order in respect of the relevant Obligor. As a consequence, because of the statutory moratorium on security enforcement which arises in an administration, the Seller or, as the case may be, the Issuer or the Trustee, will not be entitled to enforce any fixed Related Security or take legal proceedings against the relevant Obligor without the consent of the administrator or the leave of the court. However, the administrator will be required to apply the proceeds of the disposal of the property secured by the fixed Related Security towards discharging the sums owed under the relevant Loan. The administrator requires the consent of the chargeholder or the leave of the court to dispose of property which is subject to fixed security. However, if the administrator chooses not to apply for such leave (or to seek the consent of the chargeholder), although the administrator will not be entitled to dispose of the fixed charge property, the chargeholder will still need the consent of the administrator or the leave of the court in order to enforce its security. This may result in a delay in the payment of amounts owing under the relevant Loan to the Issuer and, subject to the availability of the Liquidity Facility, could result in a failure by the Issuer to pay amounts due under the Notes in a timely fashion.

The Enterprise Act also inserted a new s176A into the Insolvency Act 1986 (the **Insolvency Act**) which provides that where a company or limited liability partnership has gone into liquidation or administration, or where there is a provisional liquidator or receiver, a "prescribed part" of the company's or limited liability partnership's net property is to be applied in satisfaction of debts due to

unsecured creditors in priority over debts secured by a floating charge. A company's or limited liability partnership's "net" property for this purpose is the portion of a company's or limited liability partnership's property which would otherwise be available to satisfy the claims of creditors secured only by a floating charge. As at the date of this Prospectus, the "prescribed part" has been set at 50 per cent. of the first £10,000 of a company's or limited liability partnership's net property and 20 per cent. thereafter up to a maximum of £600,000.

While certain of the covenants given by the Relevant Borrower under the relevant Credit Agreement are intended to ensure that it has no creditors other than the secured creditors under the relevant Security Agreement (in the case of the Agora Max Portfolio Loan, subject to creditors permitted by the Credit Agreement, as described further below, and, in the case of the Pitch 2 Portfolio Loan, no creditors in relation to the Pitch 2 Trust and Pitch 2 Trust Fund only), in the case of the Workspace Portfolio Loan, the Sol Central Loan and the Alba Gate Portfolio Loan, trade creditors in respect of ownership and management of the relevant Properties and, in the case of the Nos 2 & 3 Portfolio Loan, certain existing debts which are subordinated to all debt owed by the Relevant Borrower to the Finance Parties), it will be a matter of fact as to whether the relevant Obligor has any other creditors at any time. In the case of the Agora Max Portfolio Loan, the Agora Max Borrowers are permitted to incur debt obligations (i) in respect of the Agora Max Senior B Loan and related Finance Documents (which are subordinated by way of the Agora Max Intercreditor Agreement); (ii) under the related hedging documents; (iii) under the documents relating to the acquisition of the relevant properties; (iv) under Leases; (v) under project documents which are addressed in the Agora Max Senior B Loan; (v) under the related management agreements; and (vi) financial indebtedness which is between group members where each such group member has granted security. To the extent that the relevant Obligor's assets are subject to fixed charges pursuant to the relevant Security Agreement, such assets will be outside its "net property". However, to the extent that the relevant Obligor's assets are subject only to a floating charge, the provisions of section 176A of the Insolvency Act would result in the prescribed part of the assets which would otherwise be available to satisfy the claims of the secured creditors under the relevant Security Agreement being used to satisfy the claims of unsecured creditors. This could reduce the amount of money available to satisfy the Issuer's obligations to the Noteholders. It should also be noted that a floating charge has not been granted by any of the property owners under the Pitch 2 Portfolio Loan nor by one of the property owners under the Agora Max Portfolio Loan.

Non-resident Obligors

Some of the Obligors are incorporated, and have their registered office or are otherwise established, in jurisdictions other than England and Wales (the **Foreign Obligors**). These other jurisdictions include countries outside the European Union (for example, the Channel Islands).

With respect to these Foreign Obligors, there is the risk that:

(a) third party creditors may commence insolvency proceedings against such Foreign Obligors in their respective jurisdiction of incorporation or the place of their registered office;

(b) an English court might decline jurisdiction if the relevant Finance Party were to seek to commence insolvency proceedings in England; and

(c) in certain circumstances, an English court may recognise insolvency proceedings commenced in another jurisdiction (including those referred to above) and may, for example, make an order impacting on the availability of certain types of creditor action in England and/or resulting in the application of English claw-back provisions to such Foreign Obligors, notwithstanding that there are no corresponding relevant English insolvency proceedings.

In relation to paragraph (a) above, the extent to which insolvency proceedings may be commenced in such jurisdictions would be, in each case, a matter to be determined under the laws of the relevant jurisdiction (subject, in the case of the Foreign Obligors with their "centre of main interests" in the European Union, to Council Regulation (EC) No. 1346/2000 of 29 May 2000 (the **EC Insolvency Regulation**) as discussed below). Where the EC Insolvency Regulation does not apply, it is likely to be possible to commence insolvency proceedings in a particular jurisdiction if that is where the Foreign Obligor is incorporated and, in some cases, it may be sufficient that the Foreign Obligor has a place of business or assets in the relevant jurisdiction.

In relation to paragraph (b) above, the extent to which English law insolvency proceedings can be commenced in respect of a Foreign Obligor will be determined by the EC Insolvency Regulation and the Insolvency Act 1986, as amended. The EC Insolvency Regulation governs the opening of insolvency proceedings in respect of a company with its "centre of main interests" in an EU Member State. Accordingly, a key factor in this regard will be the location of the "centre of main interests" of each of the Foreign Obligors for the purposes of the EC Insolvency Regulation. The location of the centre of main interests will be a question of fact in each case; there is a rebuttable presumption that it is in the place of the registered office but this presumption may be rebutted where the company administers its interests on a permanent basis in a manner ascertainable by third parties in another jurisdiction. If the presumption applies and the "centre of main interests" of each of the Foreign Obligors for these purposes is in the place of its registered office, the EC Insolvency Regulation would not apply in relation to the Foreign Obligors registered in the Channel Islands, and English law insolvency proceedings could only be commenced in respect of such Foreign Obligors in the limited circumstances referred to in section 426 of the Insolvency Act, as amended, which provides for cooperation between courts exercising jurisdiction in relation to insolvency.

In relation to paragraph (c) above, under the regulations which implement the UNCITRAL Model Law on Cross-Border Insolvency in Great Britain (the **UNCITRAL Regulations**), in certain circumstances, a foreign insolvency officeholder appointed in respect of certain foreign insolvency proceedings may apply to the English court for recognition of such proceedings. As the EC Insolvency Regulation prevails over the UNCITRAL Regulations, this is most likely to be relevant where a Foreign Obligor has its centre of main interests outside the EU. The foreign insolvency proceedings will be recognised (provided certain conditions are met) if commenced in the jurisdiction where the relevant debtor company has its "centre of main interests" or an "establishment" (each of which has a meaning for the purposes of the UNCITRAL Regulations substantially similar to the definition included in the EC Insolvency Regulation). If recognition is granted, a mandatory stay will apply to certain types of creditor action (not extending to security enforcement) in England and Wales. In certain circumstances, the English court may exercise its discretion to impose a wider stay extending to security enforcement (provided that the court must take into account the interests of the secured creditors). In addition, if recognition is provided, then, upon application by the foreign officeholder, the English court may make an order in respect of the relevant company applying certain avoidance (including claw-back) provisions of the Insolvency Act, as amended (notwithstanding that there are no corresponding English administration and/or liquidation proceedings or that the English court may not have jurisdiction to commence such proceedings).

Individual Borrowers

Neither an administrative receiver nor an administrator can be appointed over the assets of an Individual Borrower. An individual is able to ask for a moratorium under the Insolvency Act 1986 by application to the court for an interim order where such individual intends to propose a voluntary arrangement to his or her creditors. The duration of such moratorium is normally initially 14 days but may be extended by the court. Any meeting of an individual's creditors to consider a proposal must take place not less than 14 and not more than 28 days after the date on which a nominee files the relevant proposal with the court in accordance with the provisions of the Insolvency Act 1986. The

moratorium will expire 28 days after the filing of such a proposal. As a consequence, because of the statutory moratorium on security enforcement which arises during such period, the Seller or, as the case may be, the Issuer, the Security Agent or the Special Servicer will not be entitled to enforce any Related Security or take legal proceedings against the Individual Borrower without the consent of the nominee or the leave of the court. In addition, any meeting of an individual's creditors can not approve any voluntary arrangement that would affect the rights of a secured creditor to enforce its security, without the consent of such secured creditor. However, any proposal for an individual voluntary arrangement may result in a delay in the payment of amounts owing under the relevant Loan to the Issuer and, subject to the availability of funds available for drawing under the Liquidity Facility, could result in a failure by the Issuer to pay amounts due under the Notes in a timely fashion.

In the case of the Alba Gate Portfolio Loan, the borrower in respect of the Aberdeen Property is the Alba Gate Individual Borrower and the Related Security it gives is a standard security, assignation of rent and a charge over certain accounts. The Wakefield Europort Loan is made to the Wakefield Europort Property Partnership, two partners of which are the Wakefield Europort Individual Borrowers. In respect of the Wakefield Europort Loan, recourse is limited to the partnership interests of the Wakefield Europort Individual Borrowers in the Related Security.

Limited Partnership

In addition, in respect of the Gullwing Portfolio Loan and Forster Hall Loan, the Relevant Borrower is a limited partnership. The making of an administration order under the Insolvency Act 1986 (as amended) (as applied to limited partnerships by virtue of the Insolvent Partnerships Order (SI 1994/2421)) prohibits a secured creditor from enforcing its security unless the consent of the administrator or the leave of the court is obtained. As the Borrower in respect of the Gullwing Portfolio Loan is an English limited partnership formed under the Limited Partnerships Act 1907, it will not be possible to block the making of an administration order in respect of the Relevant Borrower and its assets by the appointment of an administrative receiver pursuant to a qualifying floating charge. As a result of the stay of proceedings upon the making of such an administration order, the Relevant Security Agent would not be entitled to enforce its security over the Relevant Borrower's assets, unless it obtained the consent of the administrator or approval of the court.

Collection and enforcement procedures

Under the Servicing Agreement, the Relevant Servicer is required to recover amounts due from the Borrowers. However, in respect of the Agora Max Portfolio Loan, any enforcement procedures will be taken not by the Relevant Servicer but by the Relevant Security Agent acting in accordance with the terms of the relevant Credit Agreement who may, subject to the terms of the Agora Max Intercreditor Agreement, be directed by, among others, the Relevant Servicer acting on behalf of the Issuer. As the Issuer will, following the novation of the Agora Max Portfolio Loan on the Closing Date, own one-third of the Agora Max Senior A Loan, the ability of the Relevant Servicer to direct the Relevant Security Agent will be subject to the direction of the other Agora Max Senior A Lenders and depending on the circumstances the Agora Max Senior B Lenders. The Relevant Servicer must ensure that its default and enforcement procedures meet the requirements of the Servicing Agreement. Such procedures may involve the appointment of a non-administrative receiver or an administrator, or may involve the deferral of formal enforcement procedures and the restructuring of the Loan by an amendment or waiver of certain provisions, subject to any restrictions in the Servicing Agreement (see further *Servicing – Amendments to the Finance Documents*).

With respect to the Properties situated in England and Wales, the Relevant Servicer or, in the case of the Agora Max Portfolio Loan, the Relevant Security Agent, may appoint a receiver (an **LPA Receiver**). An LPA Receiver's powers derive not only from the mortgage under which he has been appointed but also from the Law of Property Act 1925 and such LPA Receiver is deemed by law to be

the agent of the entity providing security until the commencement of liquidation proceedings against such entity. For as long as the LPA Receiver acts within its powers, the LPA Receiver will only incur liability on behalf of the entity providing security but, if the Relevant Servicer or, in the case of the Agora Max Portfolio Loan, the Relevant Security Agent, improperly directs or interferes with and influences the LPA Receiver's actions, a court may decide that the LPA Receiver would be the security holder's agent rather than the agent of the entity providing security, and that the security holder should, under such circumstances, be responsible for the LPA Receiver's acts.

Any receiver appointed will seek an indemnity from the Issuer or the Relevant Servicer or, in the case of the Agora Max Portfolio Loan, the Relevant Security Agent, in addition to its general ability to recover its costs. Any costs of the receiver will be paid in advance of any amounts paid to the Noteholders.

The Law of Property Act 1925 does not apply in Scotland and therefore it is not possible to appoint an LPA Receiver with respect to the Scottish Properties. In Scotland, the Relevant Servicer would appoint a receiver pursuant to any floating charge contained in the relevant Security Agreement, if applicable. Any receiver appointed will seek an indemnity from the Issuer or the Relevant Servicer in addition to its general ability to recover its costs. Any costs of the receiver will be paid in advance of any amounts paid to the Noteholders.

Litigation

There may be pending or threatened legal proceedings against any of the Obligors and their affiliates. Each relevant Credit Agreement and Security Agreement includes (subject to certain immaterial variances) an obligation by the relevant Obligor to notify the Seller or the Relevant Security Agent of any legal proceedings which might or could reasonably be expected to have a material adverse effect on the ability of the Borrower to make payments under a Loan and consequently the Issuer's ability to make payments under the Notes.

The Adelphi Borrower

The audited financial statements of the Adelphi Borrower, copies of which are appended to this Prospectus, are qualified. The auditors of the Adelphi Borrower noted that, for each of the financial years ending 31 March 2005 and 31 March 2006, the financial statements disclosed accumulated losses of £38,724,644 and £38,836,849 respectively. However, the auditors recommended that, despite the abovementioned qualifications, the financial statements be approved on the basis that the expected return on investment of the freehold property is above 6%, seeming reasonable and in line with commercial property yields in London. In addition, Noteholders should be aware that the financial statements of the Adelphi Borrower for each of the years ending 31 March 2005 and 31 March 2006 show that the liabilities of the Adelphi Borrower are in excess of its assets by approximately £32,000,000. However, the audited financial statements of the Adelphi Borrower are historic and reference the accounting period prior to the acquisition of the Adelphi Borrower by its current shareholders and prior to approximately £70,000,000 of equity being placed in the Adelphi Borrower. In addition the value of the Adelphi Property, for the purposes of the audited financial statements, does not take into account the unsecured open market value of the Property determined in accordance with the relevant Valuation as at 16 January 2007.

In addition, the Adelphi Borrower has pursuant to the relevant Credit Agreement dated 6 March 2007 made representations and warranties as to its solvency. Any existing debt of the Adelphi Borrower is subordinated pursuant to the terms of a subordination agreement.

D. Considerations relating to the Properties

Commercial lending generally

The Loans are secured by, among other things, first legal mortgages or charges and, in the case of the Scottish Properties, standard security over the relevant Property or Properties. Commercial mortgage lending is generally viewed as exposing a lender to a greater risk of loss than residential mortgage lending since the repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related property. If the cash flow from the property is reduced (for example if leases are not obtained or renewed or if tenants default in their obligations under the leases), a Borrower's ability to repay a relevant Loan may be impaired.

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

The net operating income and value of the Properties may be adversely affected by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by business closures or slowdowns and other factors), local property market conditions (such as an oversupply of commercial space, including market demand), perceptions by prospective Tenants, retailers and shoppers of the safety, convenience, condition, services and attractiveness of the Properties, the proximity, attractiveness and availability of competing alternatives to the Properties, the willingness and ability of the owners of the Properties to provide capable management and adequate maintenance, an increase in the capital expenditure needed to maintain a Property or make improvements to it, demographic factors, consumer confidence, unemployment rates, consumer tastes and preferences, retroactive changes to building or similar regulations, and increases in operating expenses (such as energy costs). In addition, other factors may adversely affect the Properties' value without affecting their current net operating income, including: changes in governmental regulations, fiscal policy and planning/zoning or tax laws, potential environmental legislation or liabilities or other legal liabilities, the availability of refinancing, and change in interest rate levels or yields required by investors in income-producing commercial properties. The age, construction quality and design of a particular Property may affect its occupancy level as well as the rents that may be charged for individual Leases over time. The adverse effects of poor construction quality will increase over time in the form of increased maintenance and capital improvements needed to maintain the Property. Even good construction will deteriorate over time if the property managers do not schedule and perform adequate maintenance in a timely fashion. If, during the term of the Loans, competing properties of a similar type are built in the areas where the Properties are located or similar properties in the vicinity of the Properties are substantially updated and refurbished, the value and net operating income of such Properties could be reduced.

In addition, some of the Properties may not readily be convertible to alternative uses if such Properties were to become unprofitable due to competition, age of the improvements, decreased demand, regulatory changes or other factors. The conversion of commercial properties to alternative uses generally requires substantial capital expenditure. Thus, if the operation of any such Property becomes unprofitable such that the Relevant Borrower becomes unable to meet its obligations on the Loans, the liquidation value of any such Property may be substantially less, relative to the amount owing on the relevant Loan than would be the case if such Property were readily adaptable to other uses.

A decline in the commercial property market, in the financial condition of a major tenant or a general decline in the local, regional or national economy will tend to have a more immediate effect on the net operating income of properties with short-term revenue sources and may lead to higher rates of delinquency or defaults.

Any one or more of the above-described factors could operate to have an adverse effect on the income derived from, or able to be generated by, a particular Property, which could in turn cause a Borrower in respect of such Property to default on the relevant Loan or may impact a Borrower's ability to refinance the relevant Loan or sell the Properties or repay the relevant Loan and may consequently affect the Issuer's ability to make payments under the Notes.

Borrowers' dependence on Tenants

The Borrowers' ability to meet their obligations under the relevant Credit Agreement will depend upon their continuing to receive a significant level of aggregate rent from the Tenants under the Leases. A Borrowers' ability to make payments in respect of the relevant Credit Agreement could be adversely affected if occupancy levels at the Properties were to fall or if a significant number of Tenants were unable to meet their obligations under the Leases.

The ability to attract the appropriate types and number of Tenants paying rent levels sufficient to allow a Borrower to make payments due under the relevant Credit Agreement will depend on, among other things, the performance generally of the commercial property market. Continued global instability (resulting from economic and/or political factors, including the threat of global terrorism) may adversely affect the United Kingdom economy.

Rental levels, tenant incentives, the quality of the building, the amenities and facilities offered, the convenience and location of the Properties, 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 areas surrounding the Properties will not adversely affect the demand for units in the Properties.

Concentration of Loans

The effect of mortgage pool loan losses will be more severe if the pool is comprised of a small number of loans, each with a relatively large principal balance, or if the losses relate to loans that account for a disproportionately large percentage of the pool's aggregate principal balance. The relative approximate percentages of the 19 Loans are:

Loan	Percentage of Cut-Off Date Securitised Principal Balance*
Adelphi	24.1%
Criterion	14.1%
G-res 1 Portfolio	14.0%
Nos 2 & 3 Portfolio	10.7%
Greater London Portfolio	8.2%
Agora Max Portfolio	7.6%
Lloyds Portfolio	3.7%
Workspace Portfolio	3.0%
Pitch 2 Portfolio	2.5%
Grafton Estate Portfolio	2.2%

Loan	Percentage of Cut-Off Date Securitised Principal Balance*
Sol Central	2.1%
Gullwing Portfolio	1.5%
Snowhill	1.3%
Wakefield Europort	1.2%
Forster Hall	1.1%
Alba Gate Portfolio	0.9%
St. George Portfolio	0.7%
Amsterdam Place	0.6%
Apex	0.5%
Total	**100.0%**

* Percentages may not total 100% due to rounding.

In addition, the repayment or prepayment, in whole or in part, of any Loan will affect the concentration of the Loans.

Geographic concentration; The economies of the United Kingdom

All of the Properties are located in the United Kingdom as set out below. Repayments under the Loans and the market value of the Properties could be adversely affected by conditions in the property markets where the Properties are located, acts of nature, including floods (which may result in uninsured losses), and other factors which are beyond the control of the Borrowers. In addition, the performance of the Properties will be dependent upon the strength of the economies of the local areas where such properties are located.

Loan	Market Value	Net Rent	Number of Properties
Greater London	62.3%	55.9%	54
West Midlands	10.7%	10.8%	26
East Midlands	5.6%	7.3%	17
Yorkshire & Humber	5.2%	6.1%	37
East of England	3.8%	4.6%	31
North West	3.1%	4.1%	33
South East	3.1%	3.4%	49
South West	2.1%	2.6%	39
North East	1.6%	2.1%	12
Scotland	1.2%	1.6%	47
Wales	1.2%	1.5%	21
Total	**100.0%**	**100.0%**	**366**

Tenant concentration

Deterioration in the financial condition of a Tenant can be particularly significant if a Property is leased to a small number of Tenants or a sole Tenant. In the case of the Alba Gate Portfolio Loan, the Criterion Loan and the Apex Loan, certain of the Properties are leased to a small number of Tenants, or (in the case of the Snowhill Loan, the Amsterdam Place Loan, the Wakefield Europort Loan and

seven Properties in respect of the Pitch 2 Portfolio Loan) a sole Tenant, and therefore, are also more susceptible to interruptions of cash flow if a Tenant fails to renew its Lease. This is because: (i) the financial effect of the absence of rental income may be more severe, (ii) more time may be required to re-lease the space, and (iii) substantial capital costs may need to be incurred to meet the requirements of replacement Tenants. The Properties in respect of the Nos 2 & 3 Portfolio Loan experience a high degree of tenant concentration, however, the abovementioned risk is mitigated due to the high granularity of the Property portfolio secured in respect of the Nos 2 & 3 Portfolio Loan.

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

Risks relating to office properties

The income from and market value of an office property, and a borrower's ability to meet its obligations under a mortgage loan secured by an office property, are subject to a number of risks. In particular, a given property's age, condition, design, location, 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.

Local and regional economic conditions and other related factors also affect the demand for and operation of office properties. For example, decisions by companies to locate an office in a given area will be influenced by factors such as labour cost and quality, and quality of life issues such as those relating to schools and cultural amenities.

Also, changes in local or regional population patterns, the emergence of telecommuting, sharing of office space and employment growth also influence the demand for office properties and the ability of such properties to generate income and sustain market value. In addition, an economic decline in the businesses operated by tenants can affect a building and cause one or more significant tenants to cease operations and/or become insolvent. The risk of such an adverse effect is increased if revenue is dependent on a single tenant or a few large tenants or if there is a significant concentration of tenants in a particular business or industry.

Each of the foregoing circumstances and events may, individually or in the aggregate, adversely affect the income from and market value of the Properties and thereby increase the possibility that the Borrowers and any other Obligors under the Loans secured by such Properties will be unable to meet their obligations under such Loans and may consequently affect the Issuer's ability to make payments under the Notes.

Risks relating to industrial properties

The income from and market value of an industrial property and a Borrower's ability to meet its obligations under a Loan secured by such a property are subject to a number of risks. One of the most

important risks relates to the continued access to, and proximity of, the building to a major road network. Any interruption in the road access to an industrial property could result in a shortfall in the number of customers utilising the units and thereby reduce the Tenants', and ultimately the Borrower's, ability to make payments under the relevant Leases and Loan. Additionally, the adaptability of a property to offer future leases and to attract new Tenants (including those not involved in a similar industry) will have an impact on the ability of a Borrower to meet its obligations under a Loan. However, in order to attract new Tenants and adapt the property, the property owner may be required to expend material amounts to refurbish and customise the relevant Property, or part thereof.

Other key factors affecting the value of industrial properties will include the quality of management of the properties, the amenities offered to tenants and their customers and the location of the property with respect to urban areas and the degree of specialisation of the internal property specifications (if any).

Each of the foregoing risks may individually or in the aggregate affect the income from and market value of the industrial and car park properties and thereby increase the probability that the Borrower or any Obligor will be unable to meet its obligations under the Loan secured by such Properties and may consequently affect the Issuer's ability to make payments under the Notes.

Risks relating to retail and leisure properties

The value of retail properties is significantly affected by the terms of the lease under which the retail property is let, the quality of the tenants as well as fundamental aspects of commercial property, such as location and market demographics. In addition to location, competition from other retail or leisure spaces or the construction of other retail or leisure space retail properties in particular face competition from other forms of retailing outside a given property market (such as mail order and catalogue selling, discount retail centres and selling through the Internet), which may reduce retailers' need for space at a given retail centre. The continued growth of these alternative forms of retailing could adversely affect the demand for space and, therefore, the rents collectable from retail properties.

The success of a retail property is dependent on, among other things, achieving the correct mix of retailers in a retail centre or area so that an attractive range of retail outlets is available to potential customers. The presence or absence of an "anchor retailer" in a retail area can be particularly important in this, because anchors play a key role in generating customer traffic and making an area desirable for other retail premises. An anchor retailer may cease operations in a retail area for a variety of reasons, including that the relevant retailer decides to move to a different retail centre, it becomes insolvent or goes out of business. If any anchor store located in a retail area in which a Property securing any Loan is located were to close and such anchor is not replaced in a timely manner, the related Property owner may suffer adverse economic consequences.

Other key factors affecting the value of retail and leisure properties include the quality of management of the properties, the attractiveness of the properties and the surrounding neighbourhood to tenants and their customers, the public perception of the level of safety in the neighbourhood, access to public transportation and major roads, and the need to make major repairs or improvements to satisfy major tenants. In addition, changes in levels of consumer confidence and consumer spending may impact upon the ability of the Tenants to trade successfully and therefore may affect the value of retail and leisure properties.

Each of the foregoing circumstances and events may, individually or in the aggregate, adversely affect the income from and market value of the Properties and thereby increase the possibility that the Borrowers or any other obligors under the Loans secured by such Properties will be unable to meet

their obligations under such Loans and may consequently affect the Issuer's ability to make payments under the Notes.

Borrowers' liability to provide services

Parts of the Properties are not intended to be let to Tenants and comprise areas such as service ways, public arcades and other communal areas which are used by Tenants and visitors to the Properties collectively, rather than being attributable to one particular unit or Tenant (**common parts**). The majority of the Leases contain a provision for the relevant Tenant to make a contribution towards the cost of maintaining the common parts calculated with reference, among other things, to the size of the premises demised by the relevant Lease and the amount of use which such Tenant is reasonably likely to make of the common parts. The contribution forms part of the service charge payable to the Relevant Borrowers (in addition to the principal rent) in accordance with the terms of the relevant Leases.

The liability of the Borrowers to provide the relevant services is, however, generally not conditional upon all such contributions being made and, consequently, any failure by any Tenant to pay the service charge contribution on the due date or at all would oblige the Relevant Borrowers to provide for the shortfall from their own monies. The Borrowers would also need to pay from their own monies service charge contributions in respect of any vacant units, which would reduce amounts available to make payments on the relevant Loan and consequently adversely affect the Issuer's ability to make payments on the Notes. In certain of the leases, the relevant Obligor does not have an ability to recover service charges from a tenant and will be obliged to keep part of the structure in repair. Any amounts expended by, or on behalf of, an Obligor by the Relevant Servicer (as agent of the Issuer and the Relevant Security Agent) in respect of its obligations to maintain and/or repair the Property, may reduce amounts available to meet a Borrower's obligation in respect of the relevant Loan and may consequently affect the Issuer's ability to make payments under the Notes.

Capital Improvements

In addition to an Obligor's obligations to repair and/or maintain the Property, the relevant Obligor may be required to use additional funds for improving the relevant Property. In the event that the relevant Obligor fails to pay the costs for work completed or materials delivered in connection with any capital improvements, such Obligor could be the subject of legal action by the relevant contractors to recover the costs of such capital improvements and/or materials. The existence of construction or capital improvements at a Property may disrupt the day-to-day activities of the Tenants and, accordingly, could have an adverse effect on net rental income derived from a Property. However, the relevant Credit Agreement will generally prohibit the Obligor from undertaking any such material works without the consent of the Lender or Security Agent.

Legal title

The Properties comprise registered land. The relevant Obligor in relation to each Property may not have been registered immediately as legal proprietor of the Property (following the acquisition of that Property) and consequently the Relevant Security Agent may not be registered immediately as the proprietor of the legal mortgage (or Standard Security in Scotland) granted to it by that Obligor over that Property. The Seller has confirmed, following consultation with its external legal advisers, that it is not aware of any reason why any such Obligor should not in due course be registered as legal proprietor of the relevant Property to which it is acquiring legal title or why the Relevant Security Agent should not in due course be registered as proprietor of the mortgage (or Standard Security in Scotland) over any Property.

In the case of each Property which has been transferred, a land transaction certificate has been obtained in relation to stamp duty land tax and appropriate application will be made within the appropriate priority period following execution of a transfer to the Land Registry (or Land Register of Scotland) for registration of transfer of the title and the relevant mortgage (or Standard Security in Scotland).

Terms of the Leases

Leases granted by an Obligor may terminate earlier than anticipated if the relevant Tenant surrenders its Lease or defaults in the performance of its obligations. Further, Leases may contain break clauses which, if exercised, will lead to a termination of that Lease. In such circumstances, the Relevant Borrowers will have to seek to renew such tenancies or to find new Tenants for the vacated premises. However, where a Lease contains break clauses and the relevant Tenant declines to exercise the same, the relevant Borrower may be required to make certain payments as financial concessions in favour of the relevant Tenant.

Under the terms of the Credit Agreements, the Relevant Borrower may not grant or agree to grant a new Lease except in accordance with the terms of the relevant Credit Agreement and no existing Lease may be amended, waived, surrendered, sub-leased or assigned except in accordance with the terms of the relevant Credit Agreement and no downward rent review may be agreed in relation to any Lease without the consent of the relevant Lender.

However, there can be no assurance that leases on terms (including rent payable and covenants of the landlord) equivalent to those applicable to the Leases in place on the Closing Date will be obtainable in the market at such time, that market practice will not have changed or that the circumstances of prospective Tenants will not make some or all of such provisions inappropriate. Certain discretions given to the Borrowers under the Credit Agreements as to the matters described above may result in a diminution in the quality of the Tenants of the relevant Properties or the terms of their Leases over the life of the Notes.

Any of these factors may result in a decline in the income produced by, or the value of, the Properties or the incurrence by the Borrowers of unforeseen liabilities, which may in turn adversely affect the ability of the Borrowers to meet their obligations in respect of the Loans and hence the ability of the Issuer to make payments on the Notes.

In respect of those Loans that have multiple properties and/or multiple tenancy, a full review of all lease arrangements has not been conducted. In particular, Noteholders should be aware that a review of leases was only conducted in respect of those leases that represented more than 15 per cent. of the total rent roll in respect of each such loan. Any statements made in this Prospectus with respect to the lease arrangements should be read subject to that limited review and the underwriting assumptions, as to which see *Risk Factors – Underwriting Assumptions in respect of certain loans* below.

Privity of contract

The Landlord and Tenant (Covenants) Act 1995 (the **Covenants Act**) provides, among other things, that, in relation to leases of property in England granted after 1 January 1996 (other than leases granted after that date pursuant to agreements for leases entered into before that date), if an original tenant under such a lease assigns that lease (having obtained all necessary consents (including consent of the landlord if required by the lease)), that original tenant's liability to the landlord, under the terms of the lease, ceases. The Covenants Act provides that arrangements can be entered into by which, on assignment of a lease of commercial property, the original tenant can be required to enter into an "authorised guarantee" of the assignee's obligations to the landlord. Such an authorised guarantee relates only to the obligations under the lease of the original assignee of the outgoing tenant providing

that guarantee and not to any subsequent assignees of that original assignee. The same principles apply to an original assignee if it assigns the lease.

There can, however, be no assurance that any assignee of a Lease of any part of a Property 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 be covered by the original tenant's authorised guarantee) will be of a similar credit quality.

In the case of the Greater London Portfolio Loans, the Apex Loan, the Pitch 2 Portfolio Loan, the Gullwing Portfolio Loan, the Lloyds Portfolio Loan, the Nos 2 & 3 Portfolio Loan, the Agora Max Portfolio Loan, the Workspace Portfolio Loan, the Criterion Loan, the Grafton Estate Portfolio Loan and the Snowhill Loan, some of the existing tenancies in respect of the Properties as at the Cut-Off Date were entered into before 1 January 1996 or pursuant to agreements for lease in existence before 1 January 1996. Therefore, because the Covenants Act has no retrospective effect, the original tenant under a Lease of any such Property will remain liable under that Lease notwithstanding any subsequent assignments, subject to any express releases of the tenant's covenant on assignment. In such circumstances, the first and every subsequent assignee would normally covenant with his predecessor to pay the rent and observe the covenants in the tenancy, and would give an appropriate indemnity in respect of those liabilities to his predecessor in title, thus creating a "chain of indemnity". If the chain of indemnity breaks down, however, the landlord remains able to seek payment from the original tenant. Although the interpretation of the Covenants Act on this point is unclear, it is arguable that the guarantor of a tenant under a new tenancy cannot be required, at the time when it enters into that guarantee, to guarantee or to commit to guarantee the obligations of that tenant under an authorised guarantee when that tenant itself assigns. Therefore, there can be no assurance, in the absence of clarifying court decisions, that any guarantor of an existing tenant can be required to guarantee an authorised guarantee given by the existing tenant on assignment. In addition, not all existing Leases require assigning Tenants to enter into authorised guarantee agreements.

Development of the Properties

Certain of the Credit Agreements (or, in the case of the Agora Max Portfolio Loan, the provisions of the Agora Max Senior B Loan) permit the relevant Borrower to make permitted developments in respect of the relevant Properties and may prescribe the limit of indebtedness that the relevant Borrower may incur in respect of such developments, the undertakings provided by the relevant Borrower in respect of carrying out such developments and the conditions that must be satisfied in order to obtain the consent of the Relevant Security Agent (such consent not to be unreasonably withheld). However, no assurance can be given that decisions concerning development taken by the relevant Borrower, and permitted by the Relevant Security Agent, will not adversely affect the value of or cashflows derived from the Properties in the future.

Changes to an enactment of the lease code

The Code of Practice for commercial leases in England and Wales (2nd Edition) was launched in April 2002 (the **Lease Code**). The Lease Code is a non-binding guide to best practice for landlords negotiating leases. It also contains various recommendations on key terms of commercial leases. The Office of the Deputy Prime Minister issued a consultation paper announcing a period of consultation from 1 June 2004 to 30 September 2004 and invited representations from relevant bodies in relation to options to deter or prohibit inflexible leasing practices, focusing on the use of upwards only rent review clauses. The consultation paper proposed six options, ranging from doing nothing to changing the voluntary nature of the Lease Code to banning upwards only rent review clauses. In February 2005, the Office of the Deputy Prime Minister issued a report by Reading University entitled *Monitoring the 2002 Code of Practice for Commercial Leases,* which, among other things, concluded that although the Lease Code is having very little impact on individual lease negotiations, there are

clear signs that it has played an important part in the general application of pressure for change in leasing practices and has had some long-term effect on the increasing flexibility and choice in commercial property leases.

The Government announced on 15 March 2005 that it was not currently proposing to legislate against upwards only rent review but that it would continue to monitor the position. There is still a risk that legislation could be introduced to regulate all commercial leases, which could adversely impact rental incomes and property values. In particular, there is a risk that the law on assignment and subletting could be amended in favour of tenants. There is, however, no current expectation that any resulting legislation would apply retrospectively to render invalid pre-existing upwards only rent review clauses, or other potentially inconsistent provisions.

Property management

The net cash flow realised from and/or the residual value of the Properties may be affected by management decisions. A Managing Agent has wide discretions; in particular, the Managing Agents may be (subject to certain general restrictions) responsible for finding and selecting new tenants on the expiry of existing tenancies (and their replacements) and for negotiating the terms of the tenancies with such tenants subject to the approval of the Relevant Security Agent under the Credit Agreements where the relevant Credit Agreement requires such approval. In relation to some Loans, the Tenants of each Property may be required to pay rental income into an account held in the name of the relevant Managing Agent in respect of each Property. Generally, no Managing Agent is required to provide any security over such funds (although it will hold such amounts on trust). Funds received by a Relevant Borrower will be transferred to the relevant Rent Account as prescribed in the relevant Credit Agreement.

Under the terms of the Credit Agreement, restrictions are placed on the ability of the Borrowers (and hence each Managing Agent) to do certain things in relation to the Occupational Leases of the Properties. These restrictions relate to matters such as entering into new occupational leases, accepting surrenders of Leases and agreeing rent reviews. The restrictions apply in varying circumstances depending on the activity in question.

Statutory rights of tenants

In certain limited circumstances, in particular relating to the renewals of tenancies, a Tenant of a Property may have legal rights to require the Relevant Borrower to grant it a tenancy, for example pursuant to the Landlord and Tenant Act 1954 or the Covenants Act. Should such a right arise, the Relevant Borrower may not have its normal freedom to negotiate the terms of the new tenancy with the Tenant, such terms being imposed by the court if the parties cannot reach agreement. Accordingly, while it is the general practice of the courts in renewals under the Landlord and Tenant Act 1954 to grant a new tenancy on similar terms to the expiring tenancy, the basic annual rent will be adjusted in line with the then market rent at the relevant time, but there can be no guarantee as to the terms on which any such new tenancy will be granted. A landlord may object to the granting of a new lease on a number of grounds including (a) if the property is required for redevelopment or for the landlord's own use; or (b) if the tenant is in breach of covenant, but in such circumstances the court will allow a tenant time to correct the default.

Administration risk in respect of certain tenants

If a corporate Tenant were to go into administration, the Relevant Borrower would be prohibited under the Insolvency Act 1986 (as amended, the **Insolvency Act**) from taking any action whatsoever against the occupational Tenant for recovery of sums due by means of distress or any other legal process. In addition, the Relevant Borrower would not be permitted to exercise a right of forfeiture by

peaceable re-entry in respect of the Lease except with the consent of the administrator or the leave of the court.

The statutory moratorium on the enforcement of all legal proceedings against a Tenant company in administration, as described above, is effective from the time an administration application is filed at court or, where an administrator is to be appointed to a Tenant company out of court, from the time a notice of intention to appoint an administrator is filed at court in accordance with the Insolvency Act 1986.

If the corporate Tenant in administration 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, the court might refuse to grant a landlord the right to re-enter the premises occupied by that Tenant or to forfeit the Lease, on the grounds that to do so would frustrate the purpose of the administration and, furthermore, the court might do so notwithstanding that the administrator was only paying a reduced or even zero rent under the terms of the relevant Lease. This change in legislative approach could impact on the management of the Properties and could result in an increase in the number of units in the Properties which are currently producing no or reduced income from time to time. However, there is no certainty at this time as to how the court would apply these new provisions.

Leasing parameters

The level of service charges (if any) payable by Tenants under their respective Leases may differ, but the overall level of service charges payable by all Tenants is normally calculated by reference to expenditure with a final reconciliation, so as to ensure that the landlord recovers from the Tenants (taken as a whole) substantially all of the service costs associated with the management and operation of the relevant Properties to the extent that the Relevant Borrower itself does not itself make a contribution to those costs. The landlord is not entitled to recover from the Tenants the costs associated with any major improvements to or refurbishments of the relevant Property. Also, to the extent that there are any unlet units in any of the Properties, the Relevant Borrower will generally experience a shortfall depending on the portion of the relevant Properties that are empty.

Limitations of valuations

The aggregate valuations of the Properties as at the dates of their respective Valuations were £1,565,230,360. In general, valuations represent the analysis and opinion of qualified valuers and are not guarantees of present or future value. One valuer may reach a different conclusion than the conclusion that would be reached if a different valuer were appraising the same property. Furthermore, valuations seek to establish the amount which a typically motivated buyer would pay a typically motivated seller and, in certain cases, may have taken into consideration the purchase price paid by the Relevant Borrower. However, there can be no assurance that the market value of the Properties will continue to equal or exceed such valuation. As the market value of the Properties fluctuates, there can be no assurance that the market value of the Properties will be equal to or greater than the unpaid principal and accrued interest and any other amounts due under the Credit Agreements. If any Property is sold following an event of default under a Loan, there can be no assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due under the relevant Credit Agreement. In particular, it should be noted that some of the Properties are specialised property assets for which no ready market may exist.

Insurance

The Credit Agreements provide that the Relevant Security Agent is named as co-insured under, or its interest is noted on, the insurance policies maintained by each Borrower or, in certain cases, each property owner or each tenant (each, an **Insurance Policy** and together, the **Insurance Policies**).

If a claim under an Insurance Policy is made, but the relevant insurer fails to make payment in respect of that claim on a timely basis or at all, this could prejudice the ability of the Relevant Borrower to make payments in respect of a Loan, which would in turn prejudice the ability of the Issuer to make payments in respect of the Notes. Under the terms of the Credit Agreements, the Relevant Borrower or Chargor is required to maintain the Insurance Policies with an insurance company or underwriter that is acceptable to the Lenders or, where applicable, the Relevant Security Agent.

Pursuant to certain of the Credit Agreements and Security Agreements, as applicable, the Relevant Borrower must generally apply all monies received under any Insurance Policy (other than loss of rent or third party liability insurance) towards replacing, restoring or reinstating the relevant Property to which the claim relates. In the case of the Alba Gate Portfolio Loan, the relevant Credit Agreement is silent as to the rights of the Security Agent in relation to the application of the insurance proceeds. However, under the Credit Agreement in respect of the Alba Gate Portfolio Loan and the Gullwing Portfolio Loan, the Relevant Borrowers undertake to ensure that the Security Agent is named as first loss payee in respect of any insurance policy relating to the relevant properties and that such insurance policies must contain a standard mortgagee protection clause. In the case of the Nos 2 & 3 Portfolio Loan, the interest of the Relevant Security Agent must be noted on each insurance policy. In the case of the Gullwing Portfolio Loan and the Nos 2 & 3 Portfolio Loan, the Relevant Borrower or Obligor is required to apply any money it may receive under any Insurance Policy in repairing the relevant Property or in repaying the secured liabilities to the Relevant Security Agent. In the case of the Agora Max Whole Loan, all monies for reinstatement are to be used towards replacing, restoring or reinstating the relevant property and, to the extent not restricted, the proceeds of insurance shall be used at the option of the Relevant Security Agent to repay the Agora Max Portfolio Loan. However, if the Relevant Security Agent so requires, (in the case of the Pitch 2 Portfolio Loan and the Lloyds Portfolio Loan) only if a Loan Event of Default is outstanding, the proceeds of any Insurance Policy (other than loss of rent or third party liability insurance) must be used by the Relevant Borrower to repay the relevant Loan. In the case of the Greater London Portfolio Loans, the Relevant Security Agent can only require repayment of the balance after the application of insurance proceeds towards, amongst others, replacing, restoring or reinstating the relevant Property.

Insurance for loss of rent will, subject to certain exceptions, cover the loss of rent during the period of rent cessation up to a specified duration. Although a relevant Tenant will again be liable to pay the rent once a Property has been reinstated, it is likely that a Tenant so affected would exercise any rights it might have to terminate its Lease (where such right is granted) if the premises are not reinstated in time. In such circumstances, the Relevant Borrower may not be entitled to loss of rent insurance and rent from the Property, and any proceeds of insurance may be insufficient to cover amounts due by the Relevant Borrower under the Credit Agreement.

Uninsured losses

The Credit Agreements also contain provisions requiring the Relevant Borrower to carry or procure the carrying of insurance with respect to the relevant Properties in accordance with specified terms (see further *The Loans and the Loan Security – The Credit Agreements – Undertakings* below). There are, however, certain types of losses (such as losses resulting from war and terrorism (which, within certain limits, are currently covered by some of 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. The Relevant Borrower's ability to repay the relevant Loan (and, consequently, the Issuer's ability to make payments on the Notes) might be affected adversely if such an uninsured or uninsurable loss were to occur, to the extent that such loss is not the responsibility of the Tenants pursuant to the terms of their Leases.

Environmental matters

Certain existing environmental legislation imposes liability for remediation costs on the owner or occupier of land where the person who caused or knowingly permitted the pollution cannot be found. The term "owner" would include anyone with a proprietary interest in a property. Even if more than one person may have been responsible for the contamination, each person covered by the relevant environmental laws may be held responsible for all or part of the remediation costs incurred.

If any environmental liability were to exist in respect of any of the Properties, neither the Issuer nor the Relevant Security Agent should incur responsibility for such liability prior to enforcement of the Related Security, unless it could be established that the relevant party had entered into possession of the relevant Property or could be said to be in control of the relevant Property. After enforcement, the Relevant Security Agent, if deemed to be a mortgagee in possession, or a receiver appointed on behalf of the Relevant Security Agent, could become responsible for environmental liabilities in respect of a relevant Property. The Relevant Security Agent is generally indemnified by the relevant Obligor or Obligors against any such liability, and amounts due in respect of any such indemnity will be payable in priority to payments to the relevant Lender (including the Issuer).

If an environmental liability arises in relation to any Property and is not remedied, or is not capable of being remedied, this may result in an inability to sell that Property or in a reduction in the price obtained for that Property resulting in a sale at a loss. In addition, third parties may sue a current or previous owner, occupier or operator of a site for damages and costs resulting from substances emanating from that site, and the presence of substances on that Property could result in personal injury or similar claims by private claimants.

Compulsory purchase

Any property in England may at any time be compulsorily acquired by, among others, a local or public authority or a government department, generally in connection with proposed redevelopment or infrastructure projects.

If, however, a compulsory purchase order is made in respect of a Property (or part of a Property), compensation would be payable on the basis of the market value of all of the Relevant Borrower's and the Tenants' proprietary interests in that Property (or part thereof). Where a general vesting declaration is made, compensation is assessed as at or from the vesting date. In other cases, where a notice to treat is served, the valuation date is either the date on which the acquiring authority takes possession or, if earlier, the date on which compensation is agreed between the parties. Following such a purchase, the Tenants would cease to be obliged to make any further rental payments under the relevant Lease (or rental payments would be reduced to reflect the compulsory purchase of a part of that Property, if applicable). Following payment of compensation, the Relevant Borrower may be required to prepay all or part of the amounts outstanding under the relevant Credit Agreement in an amount equal to the compensation payment, which prepayment will be used by the Issuer to redeem the Notes (in part). The risk to Noteholders is that the amount received from the proceeds of purchase of the freehold or leasehold estate of a Property may be less than the original value ascribed to such Property and of the corresponding Principal Amount Outstanding of the Notes together with accrued interest.

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

Frustration

In exceptional circumstances, a tenancy could be frustrated under English 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 any part of a 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, that Property. This in turn could cause the Relevant Borrower to have insufficient funds to make payments in full in respect of the Credit Agreement, which could lead to a default thereunder.

Mortgagee in possession liability

The Issuer or the Relevant Security Agent or any other beneficiary of the security may be deemed to be a mortgagee in possession if there is physical possession of a Property or an act of control or influence which may amount to possession by that person, such as submitting a demand or notice direct to Tenants requiring them to pay rents to the Relevant Security Agent or the Issuer (as the case may be). In a case where it is necessary to initiate enforcement procedures against a Borrower, the Relevant Security Agent is likely to appoint a receiver to collect the rental income on its behalf or that of the Issuer, which should have the effect of reducing the risk that they would be deemed to be mortgagees in possession.

A mortgagee in possession 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

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

The Servicing Agreement will require the Master Servicer and the Special Servicer to service the Loans in accordance with, among other things, the Servicing Standard. Certain discretions are given to the Master Servicer and the Special Servicer in determining how and in what manner to proceed in relation to the Loans. Furthermore, as the Master Servicer and the Special Servicer may each acquire Notes, either of them could, at any time, hold any or all of the most junior Class of Notes outstanding from time to time. In addition, there are no limitations preventing the Master Servicer or the Special Servicer or any of their affiliates from purchasing an interest in a Junior Loan or any interest in the Agora Max Whole Loan. As holder of that Class of Notes or that interest in a Junior Loan or any interest in the Agora Max Whole Loan, the Master Servicer or the Special Servicer (as applicable) may have interests which conflict with the interests of the holders of the more senior Classes of Notes from time to time. However, each of the Master Servicer and the Special Servicer will be required

under the Servicing Agreement to perform its duties and to act in accordance with the Servicing Standard (subject, in the case of the Adelphi Loans and the Criterion Loan, to the Intercreditor Agreements and, in the case of the Agora Max Portfolio Loan, to the Agora Max Intercreditor Agreement), and without regard to any fees or compensation to which it is entitled, its ownership or the ownership of any of its affiliates of an interest in the Notes or a Junior Loan or any interest in the Agora Max Whole Loan, or any relationship it, or any of its affiliates, may have with any Borrower, Obligor or other Transaction Party.

The Seller may currently, and at any time in the future, act (with or without other parties and directly or via affiliates) as a financier under additional credit facilities made available to any Borrower. Its interests as a financier in these circumstances may differ from the interests of Noteholders, and the Seller will not be limited in the way that it exercises its rights under or in respect of those facilities.

Pursuant to the terms of the Servicing Agreement, the Relevant Security Agent (other than HBOS) will delegate its duties and discretions under the Credit Agreements and (in the case of the Junior Loans) the Intercreditor Agreements to the Master Servicer and the Special Servicer. In certain circumstances, the consent of the Junior Lender, the Agora Max Existing Senior A Lenders, the Agora Max Senior B Lenders and/or the Agora Max Junior Lenders is required prior to the Relevant Security Agent (or the Relevant Servicer on its behalf) agreeing to amend or waive a term of the Finance Documents. Certain other matters in relation to the Whole Loans, such as waiving amounts payable to a Junior Lender, are also subject to the approval of the Junior Lender. Additionally, in relation to the Agora Max Portfolio Loan, the Agora Max Intercreditor Agreement sets out which Lender, in respect of the Agora Max Whole Loan, can instruct the Relevant Security Agent in certain circumstances. (See *The Loan Security – the Agora Max Existing Senior A Lenders, Agora Max Senior B Lenders and the Agora Max Junior Lenders Intercreditor Agreement* below for further information). The views of a Junior Lender, the Agora Max Existing Senior A Lenders, Agora Max Senior B Lenders and the Agora Max Junior Lenders in relation to the relevant amendment, waiver or approval, as applicable, may differ to those of the Issuer or, as applicable, the views of the Master Servicer or the Special Servicer, in respect of any action which it would otherwise consider appropriate to take in accordance with the Servicing Agreement.

Appointment of substitute Servicer

Prior to or contemporaneously with any termination of the appointment of the Master 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 Loans 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 Loans 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.

Restructuring Fees and Liquidation Fees

In the event that a Specially Serviced Loan becomes a Corrected Loan and certain other conditions are met, as described under *Servicing – Fees*, the Special Servicer will (in the case of the Agora Max Portfolio Loan, only in circumstances where the Special Servicer is performing services commensurate with those that it would perform in respect of other Specially Serviced Loans) be entitled to a Restructuring Fee for so long as such Loan remains a Corrected Loan. In addition, upon the sale of any Property following enforcement of the related Specially Serviced Loan, the Special Servicer will (in the case of the Agora Max Portfolio Loan, only in circumstances where the Special Servicer is performing services commensurate with those that it would perform in respect of other

Specially Serviced Loans) be entitled to receive a Liquidation Fee. Restructuring Fees and Liquidation Fees may not in all cases be recoverable from the Borrowers under the relevant Credit Agreements. Payments of Restructuring Fees and Liquidation Fees will be made by the Issuer in accordance with the relevant Priority of Payments and will be made in priority to amounts due to the Noteholders, and therefore payment of any such fees may reduce amounts payable to the Noteholders.

E. General Considerations

Reliance on warranties

Except as described under *The Loans and the Loan Security – Diligence in connection with the Loans*, neither the Issuer nor the Trustee has undertaken or will undertake any investigations, searches or other actions in relation to the Loans, and each will, instead, rely solely on the warranties to be given by the Seller in respect of such matters in the Loan Sale Agreement (see further *Transaction Documents – The Loan Sale Documents*).

In the event of a Material Breach of Loan Warranty (as defined under *Transaction Documents – The Loan Sale Documents* below) which has not been remedied within the prescribed cure period or is not capable of remedy, the sole remedy of each of the Issuer and the Trustee against the Seller shall be to require the Seller (prior to the completion of enforcement of the Related Security) either to repurchase the affected Loans together with any Related Security or, if the breach affects fewer than all of the Properties securing an affected Loan (as determined by the Servicer on behalf of the Issuer or the Trustee), to repurchase the Loan together with the Related Security in that portion of the affected Loan relating to the Property or Properties affected by the breach, provided that this shall not limit any other remedies available to the Issuer and/or the Trustee if the Seller fails to repurchase all or a portion of the affected Loan and its Related Security when obliged to do so.

Forward-looking Statements

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment, calculations in respect of, among other things, expected average lives of the Notes, Maturity LTVs, DSCR and ICR (which are calculated on an annualised basis from cashflows as at the Cut-Off Date) and certain other characteristics of the Loans, and reflect significant assumptions and subjective judgements by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and/or the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans", or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic, environmental and regulatory changes. Moreover, past financial performance should not be considered a reliable indicator of future performance, and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. Prospective Noteholders should therefore not place undue reliance on any of these forward-looking statements. Neither the Issuer nor the Lead Manager assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

Movements since the Cut-Off Date

Certain information contained in the Prospectus, in particular with respect to the Outstanding Principal Balance of the Loans, LTV, DSCR and ICR are calculated as at the Cut-Off Date. Noteholders should be aware that certain characteristics with respect to the Loan Pool may have changed since the Cut-Off Date and the date of this Prospectus.

Underwriting assumptions in respect of Tenants and Loans

In addition to the inclusion of forward looking statements, the ratios and other calculations in this Prospectus have been calculated in the light of certain other assumptions. As regards tenancies, the standard assumptions include: (a) tenants that have an expired lease but are holding over on a month to month basis or who have occupational leases on a month to month term, have their lease expiry set to the Cut-Off Date; and (b) for any lease for which there is an agreed upon lease expiry, but either the tenant or the landlord has the option to terminate the lease term at will, the first break date is set to the Cut-Off Date or, if the tenant or landlord has the option to break the lease upon giving proper notification, the first break date is equal to the first date after the Cut-Off Date on which the applicable party would be allowed to break their obligations (the **Standard Tenancy Assumptions**).

There is reason, in some instances, to include additional or different assumptions to the Standard Tenancy Assumptions from time to time in respect of particular properties or property portfolios. The assumptions in respect of each Loan are referred to as the **Loan Assumptions**. For example: the Nos 2 & 3 Portfolio Loan is secured on 244 Properties, which include, among other things, tenants on assured shorthold residential tenancies (**ASTs**). For the purposes of calculations made in respect of the Nos 2 & 3 Portfolio Loan, the ASTs have been assumed to be in place until loan maturity. However, given their short-term natures, the ASTs have been removed from the weighted average lease term to lease break/expiry calculations (the **Nos Assumptions**).

The Loan Security for the G-res 1 Portfolio Loan comprises 38 Properties and 1,311 tenants, most of which are on residential ASTs. To calculate gross rents and estimated rental value figures, unit types were aggregated by property type (residential, commercial and car parks) as set out in the Valuation and Reports on Title as at August 2006. On receipt of the G-res 1 Borrower's property report in December 2006, some units had been vacated and/or reoccupied by other tenants. The aggregate rent as at December 2006 was applied pro-rata to the aggregated line items based on the August 2006 report. To calculate costs on a property level, lease types (ASTs, assured tenancies, regulated tenancies, commercial tenancies and company lets) per property on the tenant level were aggregated and cost assumptions were applied accordingly and the total was rolled up to the property level. Costs were then subtracted from gross rent and the estimated rental value to obtain net figures. Given the short-term rolling natures of the ASTs, the G-res 1 Portfolio Loan and its related Properties have been removed from the weighted average lease term to lease break/expiry calculations. In addition to the foregoing, certain loan level assumptions have been made, including a fixed rate for LIBOR on the unhedged 10% of the G-res 1 Portfolio Loan and the step-up of the fixed payments due by the G-res 1 Portfolio Borrower in the Loan Hedging Arrangement in 2009 has been excluded from the above calculations (the **G-res 1 Assumptions**).

Additional assumptions include: the inclusion of the escrow amounts in the net rents in respect of the Loans; assuming that the option of the Lloyds Borrower to extend at loan maturity is exercised (the **Lloyds Assumptions**); assuming that the Edison House property has not been released from the Grafton Estate Portfolio Loan in determining the applicable Loan to Value default covenant (the **Grafton Assumptions**); assuming the GLP Revolving Credit Facility has been drawn in full and is hedged at the same fixed rate as the GLP Term Loan (the **Greater London Assumptions**); assuming the Adelphi Revolver Loan has been drawn in full and is hedged at the same fixed rate as the Adelphi Senior Loan (the **Adelphi Assumptions**); assuming for the properties at Moulton Park, Millennium, and Garston in the Workspace Loan (which run off of licences that may terminate at will), a lease expiry on the tenth anniversary of the lease start date with no break dates, but excluding all licences from the weighted average lease term to lease break/expiry calculations (the **Workspace Assumptions**); assuming in the context of the Forster Hall Loan (which is predominantly let to ASTs) an occupancy rate of 92.93%, but excluding all the ASTs from the weighted average lease term to lease break/expiry calculations (the **Forster Hall Assumptions**).

In addition to the above, in respect of Loans, where the relevant Loan Security comprises a large number of properties and/or a large number of leases, these occupational leases vary by type and maturity. Although the Seller conducted due diligence in respect of the relevant properties and leases appropriate for loans of a similar nature and displaying similar characteristics in accordance with its usual practices, in determining whether or not to grant underwriting approval in respect of those Loans it made certain assumptions as to, amongst other things, the cost of void periods, letting costs, repairs and maintenance expenditure, insurance costs and the amount of bad debts arising as a result of tenant defaults. The underlying assumptions in respect of each of these categories also varied according to the type of lease (for example, being ASTs, assured tenancies, regulated tenancies, rolling commercial leases, fixed term commercial leases and garage leases) (the **General Assumptions**).

No assurance can be given that any assumptions (including the Standard Tenancy Assumptions, the General Assumptions and with respect to each Loan each specific Loan Assumptions) will prove to be correct or indeed a valid assumption to have been made in respect of the Loan. If any assumptions made with respect to a Loan proves to have been incorrect, the Issuer as Lender may receive less than the full amount due by the Borrower in respect of such Loan which could adversely affect the ability of the Issuer to make payments under the Notes.

Consents to variations of the Transaction Documents, the Finance Documents and other matters

In relation to certain matters, including any variation of the terms of the Finance Documents and the Transaction Documents, the consent of the Master Servicer or the Special Servicer (as agent for the Issuer or the Relevant Security Agent, as the case may be) or, in the case of the Agora Max Portfolio Loan, the Relevant Security Agent (who will act in accordance with the instructions of the Agora Max Majority Senior A Lenders (other than in respect of decisions requiring all lender consent which are reserved for each individual lender)) and the Trustee (as appropriate) will be required. The Master Servicer, the Special Servicer (as agent for the Issuer or the Relevant Security Agent, as the case may be) or, in the case of the Agora Max Portfolio Loan, the Relevant Security Agent (who will act in accordance with the instructions of the Agora Max Majority Senior A Lenders or the Trustee (as appropriate)) may be obliged to give such consent if certain conditions are met, such as receipt of written confirmation from the Rating Agencies that the Notes will not be downgraded below their then current ratings.

Where a particular matter (including the determination of material prejudice to the Noteholders or any Class of Noteholder) involves the Rating Agencies being requested to confirm the then current ratings of the Notes, such confirmation may or may not be given, at the sole discretion of the Rating Agencies. Any such confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time. Any confirmation of ratings represents only a restatement of the ratings given at the Closing Date and should not be construed as advice for the benefit of any parties to the transaction. No assurance can be given that a requirement to seek a ratings confirmation will not have a subsequent impact upon the business of any of the Borrowers.

United Kingdom taxation position of the Issuer

Pursuant to the Finance Act 2005, regulations have been made to establish a permanent regime for the taxation of "securitisation companies" such as the Issuer. For accounting periods beginning on or after 1 January 2007, companies to which the regulations apply will be taxed broadly by reference to their "retained profit" rather than by reference to their accounts. It is expected (and the Issuer has been so advised) that the Issuer will fall within the permanent regime for securitisation companies but, if it does not (or subsequently does not), then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows for the transaction and, as such, adversely affect the tax treatment of the Issuer and consequently payment on the Notes.

European Monetary Union

It is possible that, prior to the maturity of the Notes, the United Kingdom will become a participating Member State in the Economic and Monetary Union and that consequently the euro will become the lawful currency of the United Kingdom. If so, (a) all amounts payable in respect of the Notes may become payable in euro; (b) the introduction of the euro as the lawful currency of the United Kingdom may result in the disappearance of published or displayed rates for deposits in sterling used to determine the rates of interest on the Notes or changes in the way those rates are calculated, quoted and published or displayed; and (c) applicable provisions of law may allow the Issuer to redenominate the Notes into euro and to take additional measures in respect of the Notes.

If the euro becomes the lawful currency of the United Kingdom and the Notes are outstanding at the time, the Issuer intends to make payments on the Notes in accordance with the then market practice of payments on such debts. It cannot be said with certainty what effect, if any, the adoption of the euro by the United Kingdom would have on investors in the Notes. The introduction of the euro could also be accompanied by a volatile interest rate environment, which could adversely affect the Borrowers' ability to repay the Loans.

European Union Directive on the Taxation of Savings Income

Under the EC Council Directive 2003/48/EC on the taxation of savings income, 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). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

Implementation of Basel II risk-weighted asset framework may result in changes to the risk-weighting of the Notes

Following the issue of proposals from the Basel Committee on Banking Supervision for reform of the 1988 Capital Accord, a framework has been developed which places enhanced emphasis on market discipline and sensitivity to risk. An updated version of the text of the proposed framework was published in November 2005 under the title "Basel II: International Convergence of Capital Management and Capital Standards: a Revised Framework" (the **Framework**). The Framework is being implemented in stages (partly from year-end 2006 and the most advanced from year-end 2007). However, the Framework is not self-implementing and, accordingly, implementation dates in participating countries are dependent on the relevant national implementation process in those countries. As and when implemented, the Framework could affect risk-weighting of the Notes for investors who are subject to capital adequacy requirements that follow the Framework. Consequently, investors should consult their own advisers as to the consequences to and effect on them of the application of the Framework and any relevant implementing measures. Proposals and guidelines for implementing the Framework in certain participating jurisdictions are still in development and no predictions can be made as to the precise effects of potential changes on any investor or otherwise.

English law security and insolvency considerations

The Issuer will enter into the Issuer Deed of Charge pursuant to which it will grant the Issuer Security in respect of certain of its obligations, including its obligations under the Notes (as to which, see *Transaction Documents – Issuer Deed of Charge*). In certain circumstances, including the occurrence

of certain insolvency events in respect of the Issuer, the ability to realise the Issuer Security may be delayed and/or the value of the security impaired. While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws (including English insolvency laws).

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

Change of law

The transactions described in this Prospectus (including the issue of the Notes) and the ratings which are to be assigned to the Notes are based on the relevant law and administrative practice in effect as at the date hereof, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to the law (including any change in regulation which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this document or can any assurance be given as to whether any such change would 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 Prospectus 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 was incorporated in England and Wales on 17 January 2007 under registered number 6056094 as a public company with limited liability under the Companies Act 1985 (as amended). The registered office of the Issuer is at 35 Great St. Helen's, London EC3A 6AP and its contact telephone number is +44 (0)20 7398 6300. The Issuer is organised as a special purpose vehicle and its activities are limited accordingly. The Issuer has no subsidiaries. The entire issued share capital of the Issuer is held by or on behalf of the Share Trustee on trust for charitable purposes under the terms of the 2007 1 Share Trust Deed and the Seller does not own, directly or indirectly, any of the share capital of the Issuer.

1. Principal Activities

The principal objects of the Issuer are set out in Clause 4 of its Memorandum of Association and are, amongst other things, to lend money and give credit, secured and unsecured, to borrow or raise money and secure the payment of money and 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 issuing the Notes, acquiring the Loans and certain related transactions described elsewhere in this Prospectus.

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 Act 1985, the authorisation of the issue of the Notes and of the other documents and matters referred to or contemplated in this Prospectus, the filing of a notification under the Data Protection Act 1998 and matters which are incidental or ancillary to the foregoing.

The activities of the Issuer will be restricted by the Conditions and will be limited to the issue of the Notes, the acquisition of the Loans, the exercise of related rights and powers and the other activities described in this document (see further **Condition 3.1** (Restrictions)).

2. Directors and Secretary

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

Name	Business Address	Principal Activities
SFM Directors Limited	35 Great St. Helen's London EC3A 6AP	Directors of special purpose companies
SFM Directors (No. 2) Limited	35 Great St. Helen's London EC3A 6AP	Directors of special purpose companies

The company secretary of the Issuer is SFM Corporate Services Limited, a company incorporated in England and Wales (registered number 3920255), whose business address is 35 Great St. Helen's, London EC3A 6AP. The directors of SFM Directors Limited (registered number 3920254), SFM Directors (No. 2) Limited (registered number 4017430) and SFM Corporate Services Limited as at the date of the Prospectus are Jonathan Keighley, James Macdonald, Robert Berry and James France (together with their alternate directors Annika Goodwille, Helena Whitaker, Claudia Wallace, J-P Nowacki and Cane Pickersgill), whose business addresses are 35 Great St. Helen's, London EC3A 6AP and who perform no other principal activities outside the Issuer which are significant with respect to the Issuer.

3. Capitalisation and Indebtedness

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

Share Capital

Authorised Share Capital £	Issued Share Capital £	Value of each Share £	Share Fully Paid up	Shares Quarter Paid-up	Paid-up Share Capital £
50,000	50,000	1	0	50,000	12,500

49,999 of the issued shares (being 49,999 shares of £1 each, each of which is paid-up as to 25p) in the Issuer are held by the Share Trustee. The one remaining share in the Issuer, which is also paid-up as to 25p, is held by SFM Nominees Limited (registered number 4115230) under the terms of a trust as nominee for the Share Trustee.

Loan Capital

Class A Commercial Mortgage Backed Floating Rate Notes due 2020	£729,000,000
Class X Commercial Mortgage Backed Notes due 2020	£100,000
Class B Commercial Mortgage Backed Floating Rate Notes due 2020	£48,000,000
Class C Commercial Mortgage Backed Floating Rate Notes due 2020	£54,000,000
Class D Commercial Mortgage Backed Floating Rate Notes due 2020	£53,500,000
Class E Commercial Mortgage Backed Floating Rate Notes due 2020	£9,930,000
Total Loan Capital	**£894,530,000**

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 Prospectus.

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 Prospectus. Reports and accounts published by the Issuer will, when published, together with a copy of the independently audited financial accounts of the Adelphi Borrower and the audit report in respect of each of the year ending 31 March 2005 and the year ending 31 March 2006, be available for inspection during normal office hours at the specified office of the Irish Paying Agent.

The Cash Manager is required under the Transaction Documents, on behalf of the Issuer, to provide or make available through its website (which is located athttps://sfr.bankofny.com/SFR/Login.jsp[10]) to the Trustee, for the benefit of, among others, each Noteholder, a statement to Noteholders based upon information provided in the quarterly financial report by the Master Servicer and the Special Servicer in accordance with the Servicing Agreement and the Servicing Reports prepared by the Servicer pursuant to the Servicing Agreement and any disclosure information required to be provided by the Issuer pursuant to its disclosure obligations under applicable laws and regulations.

[10] The https://sfr.bankofny.com/SFR/Login.jsp website and the contents thereof do not form any part of this Prospectus.

THE LOANS AND THE LOAN SECURITY

1. Loan Origination Process

The Loan Pool consists of 19 mortgage loans, secured by mortgages on 366 commercial properties located throughout the United Kingdom. The Loans (including the undrawn portion of the Adelphi Revolver Loan and the GLP Revolver Loan) have an initial aggregate balance as at the Cut-Off Date of £894,431,744.

All of the Loans (other than the Adelphi Loans, the Criterion Loan, the G-res 1 Portfolio Loan, the Greater London Portfolio Loans and the Agora Max Portfolio Loan) are fixed rate mortgage loans. The fixed rate Loans collectively represents 32 per cent. of the initial aggregate balance of the Loan Pool as at the Cut-Off Date. The Adelphi Loans, the Criterion Loan, the G-res 1 Portfolio Loan, the Greater London Portfolio Loans and the Agora Max Portfolio Loan which collectively represent 68 per cent. of the aggregate principal balance of the Loan Pool as at the Cut-Off Date are floating rate mortgage loans. The Issuer will enter into the Interest Rate Swap Agreement with Barclays Bank PLC (in this capacity, the **Interest Rate Swap Provider**), pursuant to which the Issuer and the Interest Rate Swap Provider will enter into Interest Rate Swap Transactions in respect of each of the Loans. Under the Interest Rate Swap Transactions, the Issuer will, in respect of the fixed rate Loans, swap an amount based on a portion of the fixed rate payable under the relevant Loan for an amount based on LIBOR for three-month sterling deposits and, in respect of the floating rate Loans, will swap an amount based on LIBOR for the relevant Loan Interest Period for LIBOR in respect of the Interest Period under the Notes. In addition the Borrowers in respect of the floating rate Loans have entered into Loan Hedging Arrangements.

Barclays Bank PLC originated all of the Loans (other than the Agora Max Portfolio Loan) between June 2005 and March 2007. The decision to advance any Loan (subject to obtaining satisfactory legal due diligence) was taken by Barclays Bank PLC in compliance with its lending criteria (the **Lending Criteria**) as further described below. The Agora Max Whole Loan was originated by HBOS on 7 March 2006 and the Agora Max Portfolio Loan was purchased by Barclays Bank PLC on 10 August 2006.

In connection with the origination of the Loans (other than the Agora Max Portfolio Loan) the Seller 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 the same type as the Properties, so as to evaluate the ability of each Borrower to service its 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 the Seller. In this analysis, 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 Loans.

In connection with the purchase of the Agora Max Portfolio Loan, the Seller undertook certain due diligence procedures such as would customarily be undertaken by a prudent lender purchasing a loan in similar circumstances.

2. The Adelphi Whole Loan and the Criterion Whole Loan

The Adelphi Loans included in the Loan Pool represent the senior loan and a senior revolving loan of the Adelphi Whole Loan, originated by the Seller on 6 March 2007. The Criterion Loan included in the Loan Pool represents the senior tranche of the Criterion Whole Loan originated by the Seller on 12 December 2006. The Junior Loans will each be retained by the Junior Lender and will not be sold to

the Issuer or form part of the Loan Pool. The Seller, the Junior Lender and the Relevant Security Agent has entered or will enter into intercreditor agreements in respect of the Adelphi Whole Loan and the Criterion Whole Loan (each an **Intercreditor Agreement** and, together, the **Intercreditor Agreements**) pursuant to which the relationship and priority between the Seller (and, following the transfer of the Adelphi Loans and the Criterion Loan to the Issuer, the Issuer) and the Junior Lender is regulated. For more information on the Intercreditor Agreements see *The Loans and the Loan Security – Intercreditor Agreements* below. The Intercreditor Agreement in relation to the Adelphi Whole Loan does not purport to regulate the rights or priorities in respect of the Adelphi Revolver Loan, on the basis that the documentation in respect of the Adelphi Whole Loan ensures that all payments due under the Adelphi Revolver Loan are paid before the Adelphi Senior Loan and the Junior Adelphi Loan.

If the Adelphi Borrower repays the Adelphi Revolver Loan on its current repayment date, then the Issuer will be required to deposit the repayment proceeds into the Transaction Account and make a compulsory credit to the Adelphi Ledger. Amounts standing to the credit of the Adelphi Ledger will be available to be advanced to the Adelphi Borrower in accordance with the terms of the relevant Credit Agreement. If the Relevant Security Agent receives less than the full amount required to discharge all liabilities to the relevant Finance Parties, then the payment of principal and interest in respect of the Adelphi Revolver Loan ranks ahead of that in respect of the Adelphi Term Loan.

All references in this Prospectus to the Adelphi Loans and the Criterion Loan (including all financial information with respect to such Loans including LTV, ICR and DSCR calculations to the extent relevant) are to the senior term facility and a senior revolving loan of the Adelphi Whole Loan, and to the senior tranche of the Criterion Whole Loan as applicable, unless stated otherwise.

3. The Agora Max Whole Loan

The Agora Max Senior A Loan is the senior tranche of the Agora Max Whole Loan. The Agora Max Whole Loan has a further senior tranche (the **Agora Max Senior B Loan**) and a junior tranche (the **Agora Max Junior Loan**), both of which are subordinated to the Agora Max Senior A Loan. The Seller acquired a one-third interest in the Agora Max Senior A Loan from HBOS on 10 August 2006 (the **Agora Max Portfolio Loan**). The Issuer will, pursuant to a transfer certificate and subject to the terms of the Agora Max Intercreditor Agreement, acquire from the Seller the Agora Max Portfolio Loan on the Closing Date.

All references in this Prospectus to the Agora Max Portfolio Loan (including all financial information with respect to such Loan) are to the Agora Max Senior A Loan unless stated otherwise. For more information on the Agora Max Portfolio Loan see *The Loans and the Loan Security – Description of the Loans and Related Properties – Agora Max Portfolio Loan* below.

The Agora Max Borrowers, Agora Max Senior A Lenders, the Agora Max Senior B Lenders, the Agora Junior Lenders and the Relevant Security Agent, amongst others, entered into an intercreditor agreement on 7 March 2006 to which the Seller acceded on 10 August 2006 (the **Agora Max Intercreditor Agreement**) pursuant to which the relationship and priority between the Seller (and, following the transfer of the Agora Max Portfolio Loan, the Issuer), the Agora Max Existing Senior A Lenders, the Agora Max Senior B Lenders, and the Agora Max Junior Lenders are regulated. For more information on the Agora Max Intercreditor Agreement, see *The Loans and the Loan Security – Agora Max Intercreditor Agreement* below.

4. The Greater London Portfolio Loans

The Greater London Portfolio Loans represent a term loan (the **GLP Term Loan**) used to finance the purchase of the Greater London Properties and a revolving loan (the **GLP Revolver Loan** and,

together with the GLP Term Loan, the **Greater London Portfolio Loans**) to be used to make certain approved capital expenditure arising in respect of the Greater London Properties under a revolving credit facility (the **GLP Revolving Credit Facility**). Both Greater London Portfolio Loans are made to the Greater London Borrowers and are secured on the same Properties and other related Loan Security. The maximum commitment under the GLP Revolving Credit Facility is £1,000,000 (which may be reduced in certain circumstances). On the Closing Date both the GLP Term Loan and the GLP Revolver Loan will be acquired by the Issuer and included in the Loan Pool. As at the date of this Prospectus, the GLP Revolving Credit Facility is undrawn. If the Greater London Borrowers repay the GLP Revolver Loan on its current repayment date and do not on that date re-borrow the full amount, then the Issuer will be required to deposit the repayment proceeds into the Transaction Account and make a compulsory credit to the GLP Ledger. Amounts standing to the credit of that Ledger will be available to be advanced to the Greater London Borrowers in accordance with the terms of the relevant Credit Agreement. If the Relevant Security Agent receives less than the full amount required to discharge all liabilities to the relevant Finance Parties, then the payment of principal and interest in respect of the GLP Revolver Loan ranks ahead of that in respect of the GLP Term Loan. All references in this Prospectus to the Greater London Portfolio Loans are to the GLP Term Loan and the GLP Revolver Loan, unless stated otherwise.

5. Loan Characteristics

The following tables set out certain information with respect to the Loans and the Properties. The statistics in the following tables were primarily derived from information provided to the Seller by the respective Borrowers, other than assumptions or projections used in calculating such statistics, which were determined by the Seller. The **Cut-Off Date DSCR** with respect to each Loan is the estimated annualised net cashflow of the Relevant Borrowers as at the Cut-Off Date divided by the annualised interest due under the Loan as at the Cut-Off Date and principal payments for such Loan for the 12 months following the Cut-Off Date. The **Cut-Off Date ICR** with respect to each Loan is the estimated annualised net cashflow of the Relevant Borrowers as at the Cut-Off Date divided by the annualised interest due under the Loan as at the Cut-Off Date for such Loan. Some of the totals in the following tables may not equal the sum of the parts due to rounding of numbers.

Cut-Off Date Securitised Principal Balance										
Cut-Off Date Securitised Principal Balances	**Number of Loans**	**Aggregate Cut-Off Date Loan Balance (£)**	**Percentage of Pool by Cut-Off Date Loan Balance**	**Aggregate Cut-Off Date Market Value (£)**	**Weighted Average Cut-Off Date LTV**	**Weighted Average Maturity LTV**	**Weighted Average Seasoning (Years)**	**Weighted Average Remaining Term to Maturity (Years)**	**Weighted Average Cut-Off Date ICR**	**Weighted Average Cut-Off Date DSCR**
Less than or equal to 20,000,000	10	108,711,966	12.2%	196,285,000	58.5%	55.7%	0.5 yrs	6.4 yrs	1.70x	1.56x
20,000,000< x <=40,000,000	3	81,976,075	9.2%	129,545,000	65.0%	63.4%	0.9 yrs	5.9 yrs	1.66x	1.59x
40,000,000< x <=60,000,000	-	-	-	-	-	-	-	-	-	-
60,000,000< x <=80,000,000	2	141,515,000	15.8%	201,066,667	70.7%	69.7%	0.7 yrs	4.4 yrs	1.32x	1.32x
80,000,000< x <=100,000,000	1	95,606,455	10.7%	115,381,350	82.9%	76.8%	0.1 yrs	9.9 yrs	1.38x	1.38x
100,000,000< x <=120,000,000	-	-	-	-	-	-	-	-	-	-
120,000,000< x <=140,000,000	2	251,000,000	28.1%	390,019,010	64.8%	63.3%	0.2 yrs	7.7 yrs	1.21x	1.16x
Greater than 140,000,000	1	215,622,248	24.1%	325,000,000	66.3%	66.3%	0.0 yrs	4.7 yrs	1.21x	1.21x
Total / Weighted Average	**19**	**894,431,744**	**100.0%**	**1,357,297,027**	**67.3%**	**65.6%**	**0.3 yrs**	**6.3 yrs**	**1.35x**	**1.31x**

Cut-Off Date Loan to Value Ratios										
Cut-Off Date Loan to Value Ratios	**Number of Loans**	**Aggregate Cut-Off Date Loan Balance (£)**	**Percentage of Pool by Cut-Off Date Loan Balance**	**Aggregate Cut-Off Date Market Value (£)**	**Weighted Average Cut-Off Date LTV**	**Weighted Average Maturity LTV**	**Weighted Average Seasoning (Years)**	**Weighted Average Remaining Term to Maturity (Years)**	**Weighted Average Cut-Off Date ICR**	**Weighted Average Cut-Off Date DSCR**
Less than or equal to 60%	7	206,224,075	23.1%	379,189,010	55.5%	55.3%	0.5 yrs	6.6yrs	1.45x	1.42x
60% < x <= 65%	2	26,546,650	3.0%	42,090,000	63.1%	57.3%	0.5 yrs	8.4yrs	1.79x	1.57x
65% < x <= 70%	4	436,502,248	48.8%	646,916,667	67.5%	66.7%	0.3 yrs	5.7yrs	1.29x	1.26x
70% < x <= 75%	2	46,319,816	5.2%	64,050,000	72.3%	69.6%	0.6 yrs	5.0yrs	1.30x	1.19x
75% < x <= 80%	2	78,782,000	8.8%	104,350,000	75.5%	72.8%	0.4 yrs	4.9yrs	1.25x	1.23x

Cut-Off Date Loan to Value Ratios										
80% < x <= 85%	2	100,056,955	11.2%	120,701,350	82.9%	76.6%	0.1 yrs	9.8yrs	1.37x	1.36x
Total / Weighted Average	**19**	**894,431,744**	**100.0%**	**1,357,297,027**	**67.3%**	**65.6%**	**0.3 yrs**	**6.3yrs**	**1.35x**	**1.31x**

Maturity Loan to Value Ratios										
Maturity Loan to Value Ratios	**Number of Loans**	**Aggregate Cut-Off Date Loan Balance (£)**	**Percentage of Pool by Cut-Off Date Loan Balance**	**Aggregate Cut-Off Date Market Value (£)**	**Weighted Average Cut-Off Date LTV**	**Weighted Average Maturity LTV**	**Weighted Average Seasoning (Years)**	**Weighted Average Remaining Term to Maturity (Years)**	**Weighted Average Cut-Off Date ICR**	**Weighted Average Cut-Off Date DSCR**
Less than or equal to 60%	9	232,770,725	26.0%	421,279,010	56.3%	55.5%	0.5 yrs	6.8yrs	1.49x	1.44x
60% < x <= 65%	1	5,582,000	0.6%	7,250,000	77.0%	65.0%	0.5 yrs	7.7yrs	1.30x	1.01x
65% < x <= 70%	5	469,694,248	52.5%	693,341,667	67.8%	66.7%	0.3 yrs	5.7yrs	1.28x	1.24x
70% < x <= 75%	3	90,778,316	10.1%	120,045,000	75.7%	73.6%	0.5 yrs	4.7yrs	1.31x	1.30x
75% < x <= 80%	1	95,606,455	10.7%	115,381,350	82.9%	76.8%	0.1 yrs	9.9yrs	1.38x	1.38x
Total / Weighted Average	**19**	**894,431,744**	**100.0%**	**1,357,297,027**	**67.3%**	**65.6%**	**0.3 yrs**	**6.3yrs**	**1.35x**	**1.31x**

Seasoning (Quarters)										
Seasoning (Quarters)	**Number of Loans**	**Aggregate Cut-Off Date Loan Balance (£)**	**Percentage of Pool by Cut-Off Date Loan Balance**	**Aggregate Cut-Off Date Market Value (£)**	**Weighted Average Cut-Off Date LTV**	**Weighted Average Maturity LTV**	**Weighted Average Seasoning (Years)**	**Weighted Average Remaining Term to Maturity (Years)**	**Weighted Average Cut-Off Date ICR**	**Weighted Average Cut-Off Date DSCR**
0 < x <= 1	7	466,870,353	52.2%	670,191,350	70.4%	68.1%	0.1 yrs	7.0yrs	1.29x	1.25x
1 < x <= 2	6	267,174,000	29.9%	430,594,010	64.1%	62.9%	0.3 yrs	5.9yrs	1.23x	1.21x
2 < x <= 3	1	18,348,000	2.1%	28,600,000	64.2%	57.8%	0.6 yrs	9.2yrs	1.78x	1.63x
3 < x <= 4	3	106,692,500	11.9%	165,116,667	65.1%	64.8%	0.9 yrs	4.4yrs	1.54x	1.48x
Greater than 4 Quarters	2	35,346,891	4.0%	62,795,000	58.6%	58.6%	1.4 yrs	5.6yrs	2.15x	2.15x
Total / Weighted Average	**19**	**894,431,744**	**100.0%**	**1,357,297,027**	**67.3%**	**65.6%**	**0.3 yrs**	**6.3yrs**	**1.35x**	**1.31x**

Property Market Value							
Property Market Value	**Number of Properties**	**Aggregate Cut-Off Date Market Value (£)**	**Percentage of Pool by Aggregate Market Value**	**Aggregate Cut-Off Date Allocated Loan Balance (£)**	**Percentage of Pool by Cut-Off Date Allocated Loan Balance**	**Weighted Average Cut-Off Date LTV**	**Weighted Average Maturity LTV**
Less than or equal to 200,000	94	13,507,750	1.0%	11,192,694	1.3%	82.9%	76.8%
200,000< x <=400,000	66	18,120,000	1.3%	14,940,588	1.7%	82.5%	76.5%
400,000< x <=600,000	41	20,681,600	1.5%	16,232,926	1.8%	78.9%	73.6%
600,000< x <=800,000	28	19,544,833	1.4%	15,783,412	1.8%	81.1%	75.5%
800,000< x <=1,000,000	19	16,980,450	1.3%	13,350,141	1.5%	79.4%	74.1%
1,000,000< x <=1,200,000	12	13,213,133	1.0%	9,912,622	1.1%	75.7%	71.2%
1,200,000< x <=1,400,000	7	9,049,000	0.7%	6,421,064	0.7%	72.1%	69.0%
1,400,000< x <=1,600,000	15	22,373,278	1.6%	16,357,238	1.8%	74.3%	70.6%
1,600,000< x <=1,800,000	10	17,187,250	1.3%	12,260,722	1.4%	72.5%	68.9%
Greater than 1,800,000	74	1,206,639,732	88.9%	777,980,336	87.0%	65.7%	64.4%
Total / Weighted Average	**366**	**1,357,297,027**	**100.0%**	**894,431,744**	**100.0%**	**67.3%**	**65.6%**

Property Type							
Property Type	**Number of Properties**	**Aggregate Cut-Off Date Market Value (£)**	**Percentage of Pool by Aggregate Market Value**	**Aggregate Cut-Off Date Allocated Loan Balance (£)**	**Percentage of Pool by Cut-Off Date Allocated Loan Balance**	**Weighted Average Cut-Off Date LTV**	**Weighted Average Maturity LTV**
Industrial - Industrial Park	5	43,440,000	3.2%	27,801,444	3.1%	65.4%	65.4%
Industrial - Light Industrial	3	27,925,000	2.1%	15,331,872	1.7%	56.3%	53.8%
Leisure - Other	1	28,600,000	2.1%	18,348,000	2.1%	64.2%	57.8%
Leisure - Restaurant	8	1,632,250	0.1%	1,352,503	0.2%	82.9%	76.8%
Logistics - Distribution Centre	1	12,500,000	0.9%	8,750,000	1.0%	70.0%	70.0%
Mixed - Mixed	118	126,400,600	9.3%	82,653,433	9.2%	72.4%	67.8%
Office - Business Park	8	37,460,000	2.8%	23,071,444	2.6%	62.7%	61.0%
Office - Out of Town Office	6	18,690,000	1.4%	11,340,642	1.3%	63.8%	57.7%
Office - Prime CBD Office	8	627,620,000	46.2%	428,935,574	48.0%	68.8%	67.4%
Residential - Apartment	38	210,019,010	15.5%	125,000,000	14.0%	59.5%	59.5%
Residential - Student Accomodation	1	17,000,000	1.3%	10,200,000	1.1%	60.0%	60.0%

Property Type							
Retail - High Street Shop	162	84,383,500	6.2%	64,644,896	7.2%	77.0%	72.1%
Retail - Retail Warehouse	4	17,660,000	1.3%	8,686,935	1.0%	49.2%	49.2%
Retail - Shopping Centre	3	103,966,667	7.7%	68,315,000	7.6%	65.7%	65.7%
Total / Weighted Average	**366**	**1,357,297,027**	**100.0%**	**894,431,744**	**100.0%**	**67.3%**	**65.6%**

Regional Distribution							
Regional Distribution	**Number of Properties**	**Aggregate Cut-Off Date Market Value (£)**	**Percentage of Pool by Aggregate Market Value**	**Aggregate Cut-Off Date Allocated Loan Balance (£)**	**Percentage of Pool by Cut-Off Date Allocated Loan Balance**	**Weighted Average Cut-Off Date LTV**	**Weighted Average Maturity LTV**
East Midlands	17	76,565,000	5.6%	47,104,987	5.3%	62.8%	59.1%
East of England	31	51,302,000	3.8%	38,002,580	4.2%	76.5%	70.6%
Greater London	54	846,122,127	62.3%	550,193,472	61.5%	66.2%	65.1%
North East	12	21,105,000	1.6%	14,484,684	1.6%	69.3%	67.0%
North West	33	42,588,133	3.1%	31,052,682	3.5%	73.9%	71.9%
Scotland	47	16,458,000	1.2%	12,360,766	1.4%	76.6%	70.9%
South East	49	42,025,300	3.1%	28,685,937	3.2%	70.5%	67.3%
South West	39	29,071,600	2.1%	21,466,055	2.4%	75.6%	71.0%
Wales	21	15,797,000	1.2%	11,062,444	1.2%	72.9%	68.7%
West Midlands	26	145,656,467	10.7%	96,469,246	10.8%	66.8%	65.8%
Yorkshire & Humber	37	70,606,400	5.2%	43,548,891	4.9%	63.5%	62.0%
Total / Weighted Average	**366**	**1,357,297,027**	**100.0%**	**894,431,744**	**100.0%**	**67.3%**	**65.6%**

Property Tenure							
Tenure	**Number of Properties**	**Aggregate Cut-off Date Market Value (£)**	**Percentage of Pool by Aggregate Market Value**	**Aggregate Cut-Off Date Allocated Loan Balance (£)**	**Percentage of Pool by Cut-Off Date Allocated Loan Balance**	**Weighted Average Cut-Off Date LTV**	**Weighted Average Maturity LTV**
Freehold	300	1,010,708,443	74.5%	667,772,727	74.7%	67.1%	65.7%
Freehold/Leasehold	7	15,704,500	1.2%	11,873,757	1.3%	75.7%	74.6%
Leasehold	59	330,884,083	24.4%	214,785,260	24.0%	67.3%	64.8%
Total / Weighted Average	**366**	**1,357,297,027**	**100.0%**	**894,431,744**	**100.0%**	**67.3%**	**65.6%**

Loans										
Loan Number	**Loan Name**	**Cut-Off Date Loan Balance (£)**	**Percentage by Aggregate Cut-Off Date Loan Balance**	**Cut-Off Date LTV**	**Maturity LTV**	**Maturity Date**	**Cut-Off Date ICR**	**Cut-Off Date DSCR**	**Weighted Average Remaining Lease Term to Lease First Break (Years)[11]**	**Weighted Average Remaining Lease Term to Lease Expiry (Years)[11]**
1	Adelphi	215,622,248	24.1%	66.3%	66.3%	17/10/2011	1.21x	1.21x	7.1yrs	7.8yrs
2	Criterion	126,000,000	14.1%	70.0%	67.0%	17/07/2015	1.28x	1.18x	21.9yrs	22.3yrs
3	G-res 1 Portfolio	125,000,000	14.0%	59.5%	59.5%	17/01/2014	1.15x	1.15x	0.0yrs[11]	0.0yrs[11]
4	Nos 2 & 3 Portfolio	95,606,455	10.7%	82.9%	76.8%	16/01/2017	1.38x	1.38x	6.8yrs	8.2yrs
5	Greater London Portfolio	73,200,000	8.2%	75.4%	73.4%	15/10/2011	1.24x	1.24x	4.9yrs	5.9yrs
6	Agora Max Portfolio	68,315,000	7.6%	65.7%	65.7%	07/03/2011	1.40x	1.40x	8.0yrs	8.1yrs
7	Lloyds Portfolio	33,192,000	3.7%	71.5%	67.7%	16/07/2012	1.15x	1.00x	4.3yrs	4.3yrs
8	Workspace Portfolio	26,565,000	3.0%	70.0%	70.0%	15/01/2013	1.64x	1.64x	4.5yrs	4.5yrs
9	Pitch 2 Portfolio	22,219,075	2.5%	49.2%	49.2%	16/10/2013	2.43x	2.43x	8.6yrs	10.2yrs
10	Grafton Estate Portfolio	20,000,000	2.2%	37.9%	37.9%	17/10/2011	1.74x	1.74x	3.1yrs	3.1yrs
11	Sol Central	18,348,000	2.1%	64.2%	57.8%	17/04/2016	1.78x	1.63x	20.8yrs	20.8yrs
12	Gullwing Portfolio	13,127,816	1.5%	74.5%	74.5%	17/01/2011	1.69x	1.69x	1.9yrs	2.9yrs
13	Snowhill	11,812,500	1.3%	50.9%	47.7%	16/04/2010	2.13x	1.60x	14.1yrs	14.1yrs
14	Wakefield Europort	10,745,000	1.2%	54.0%	54.0%	17/01/2017	1.89x	1.89x	10.1yrs	10.1yrs
15	Forster Hall	10,200,000	1.1%	60.0%	60.0%	16/07/2013	1.46x	1.46x	0.0yrs[11]	0.0yrs[11]
16	Alba Gate Portfolio	8,198,650	0.9%	60.8%	56.2%	17/10/2013	1.82x	1.43x	5.8yrs	12.0yrs
17	St. George Portfolio	6,247,500	0.7%	56.3%	56.3%	17/10/2013	1.14x	1.14x	3.5yrs	3.5yrs
18	Amsterdam Place	5,582,000	0.6%	77.0%	65.0%	17/10/2014	1.30x	1.01x	8.5yrs	13.5yrs

[11] Weighted Average calculations do not include G-res 1 Portfolio Loan, (in respect of the Nos 2 & 3 Portfolio Loan and the Forster Hall Loan) AST Leases and certain licences in respect of the Workspace Portfolio Loan due to short tenancies/ licences distorting the calculations.

Loans										
Loan Number	**Loan Name**	**Cut-Off Date Loan Balance (£)**	**Percentage by Aggregate Cut-Off Date Loan Balance**	**Cut-Off Date LTV**	**Maturity LTV**	**Maturity Date**	**Cut-Off Date ICR**	**Cut-Off Date DSCR**	**Weighted Average Remaining Lease Term to Lease First Break (Years)[11]**	**Weighted Average Remaining Lease Term to Lease Expiry (Years)[11]**
19	Apex	4,450,500	0.5%	83.7%	73.5%	17/04/2014	1.23x	1.01x	8.8yrs	8.8yrs
Total / Weighted Average		**894,431,744**	**100.0%**	**67.3%**	**65.6%**	**21/06/2013**	**1.35x**	**1.31x**	**9.5yrs**	**10.2yrs**

Estimated Amortisation Schedule		
Payment Date of Loans	**Scheduled Amortisation (excluding Balloon) (£)**	**Scheduled Amortisation (including Balloon) (£)**
Apr-2007	381,500	381,500
Jul-2007	396,500	396,500
Oct-2007	367,500	367,500
Jan-2008	373,500	373,500
Apr-2008	616,500	616,500
Jul-2008	623,500	623,500
Oct-2008	574,500	574,500
Jan-2009	711,500	711,500
Apr-2009	813,500	813,500
Jul-2009	751,500	751,500
Oct-2009	746,500	746,500
Jan-2010	747,500	747,500
Apr-2010	715,000	11,777,500
Jul-2010	714,000	714,000
Oct-2010	696,000	696,000
Jan-2011	720,000	13,847,816
Apr-2011	852,000	69,167,000
Jul-2011	837,000	837,000
Oct-2011	572,000	307,481,248
Jan-2012	575,000	575,000
Apr-2012	613,000	613,000
Jul-2012	519,000	31,964,000
Oct-2012	507,000	507,000
Jan-2013	513,000	27,078,000
Apr-2013	570,000	570,000
Jul-2013	518,000	10,718,000
Oct-2013	467,000	36,514,225
Jan-2014	470,000	125,470,000
Apr-2014	500,000	4,411,500
Jul-2014	480,000	480,000
Oct-2014	424,000	5,134,000
Jan-2015	427,000	427,000
Apr-2015	478,000	478,000
Jul-2015	265,000	120,944,000
Oct-2015	216,000	216,000
Jan-2016	226,000	226,000
Apr-2016	200,000	16,730,000
Jul-2016	200,000	200,000
Oct-2016	200,000	200,000
Jan-2017	-	99,351,455

6. Lending Criteria

Lending philosophy

Barclays Bank PLC is engaged in the business of, among other things, making loans secured directly or indirectly by commercial real properties such as office properties, retail properties, industrial properties, leisure properties, nursing homes, shopping centres and warehouse properties. These properties are intended to generate a regular periodic income from rental payments made by tenants pursuant to lease arrangements (including occupational lease arrangements).

Barclays Bank PLC's decision to make a loan is based on an analysis of the contracted periodic income generated or expected to be generated by the leases granted in respect of the commercial property or expected to be granted in view of the overall quality and location of that property. In deciding whether to make a loan, Barclays Bank PLC assesses the risks relating to the periodic income generated by the relevant real property and the risk of refinancing the principal amount due upon maturity of the loan, if any. Further, in deciding to make or purchase a loan in any particular jurisdiction, Barclays Bank PLC considers, together with its external legal advisers, the legal environment in such jurisdiction and how this will impact on its ability to recover the interest on and the principal of a loan made by it in such jurisdiction, particularly following the occurrence of a default. Barclays Bank PLC also considers the plans and strategy for the use of the relevant property, as well as the property investment experience and expertise of the relevant borrower's sponsors both generally and within the context of a particular jurisdiction when deciding whether to make or purchase a loan.

Types of borrower

In order to minimise the risk that a borrower to which it makes a loan is or will become insolvent at any time prior to the repayment of that loan, Barclays Bank PLC typically, but not invariably, requires the borrower (other than an individual borrower) to have been established as a special purpose entity (an **SPE**).

The borrower of a loan made by Barclays Bank PLC will often be established contemporaneously with the loan being made and thus will not have any pre-existing liabilities, actual or contingent. Further, the activities of the borrower will be restricted, through appropriate negative covenants in the documentation relating to the loan and, in certain cases, through appropriate restrictions in its constitutional documents, to acquiring, financing, holding and managing the relevant property, so as to ensure that its exposure to liabilities is minimised to those relating to the loan and property.

If, for whatever reason, it is not possible to prescribe that the borrower of a loan be an SPE, Barclays Bank PLC will seek to satisfy itself of the borrower's solvency and will seek to obtain information from the borrower relating, in particular, to its pre-existing liabilities, both actual or contingent (including its general commercial liabilities, tax liabilities, employee-related liabilities, litigation-related liabilities or liabilities relating to the relevant real property itself (such as environmental liabilities)) and by controlling its ability to create further liabilities on a going-forward basis through appropriate negative covenants and, in certain cases, restrictions in its constitutional documents, as described above.

If and insofar as the borrower has any debt obligations other than the loan made by Barclays Bank PLC, these will typically be subordinated to the loan through contractual subordination or intercreditor arrangements, particularly if such debt obligations are secured by any of the assets of the borrower which constitute security for the loan.

In respect of certain loans originated by Barclays Bank PLC, the owner of the relevant real property will not be the borrower. In relation to such loans, Barclays Bank PLC will seek to ensure that the relevant property is owned by an entity which is substantially similar in nature to Barclays Bank PLC's typical borrower and will also seek to undertake the same level of due diligence and to take the same level of security and to exercise the same level of control over the relevant entity through contractual restrictions and/or restrictions in its constitutional documents.

It should be noted that, notwithstanding its normal requirements in respect of borrowers, from time to time Barclays Bank PLC will make loans to individuals acting independently or jointly, such as in the case of the Alba Gate Portfolio Loan and the Wakefield Europort Loan. In addition, Barclays Bank PLC will make loans to property trusts (for example in respect of the Agora Max Portfolio Loan and the Pitch 2 Portfolio Loan). Where a loan is made to a property trust or an individual, it may not be appropriate to have the typical range of representations, warranties and covenants that would be appropriate for a loan made to a borrower which is a special purpose company.

Security

Barclays Bank PLC generally aims to ensure that the loans it originates are secured both by the relevant property and by the cash-flow generated by such property, which is typically a stream of contractual rental payments under the related lease arrangements. The security package in respect of a loan will typically, but not invariably, include a first-ranking mortgage over the relevant property or (in the case of properties located in Scotland) a standard security over the relevant property and a first-ranking security interest in respect of the relevant rental payments. Where security is taken, Barclays Bank PLC will seek to ensure that the security created is fully perfected in accordance with any applicable law.

In addition to the above, security may also be taken over other assets of the borrower. Barclays Bank PLC will, where possible, aim to ensure that such security is also first-ranking and fully perfected. As regards bank accounts, Barclays Bank PLC will typically require that the collection of rental payments is structured in a particular manner, designed to maximise the efficacy of the security interests taken over the rental payments, the relevant bank accounts and the amounts standing to the credit thereof. In most instances, the borrower will have a pre-existing arrangement with the tenants of the relevant property whereby rental payments are credited to an account of the borrower or a managing agent (any amounts paid into an account of a managing agent will be held in a trust account for the benefit of the borrower). If that account is a non-commingled account (i.e. it is used to collect only the rental payments in relation to the charged properties) over which Barclays Bank PLC or the relevant security agent can obtain control, it will usually take security over that account. However, if that bank account is a commingled account (i.e. it is used to collect amounts other than just the rental payments attributable to the property the subject of Barclays Bank PLC's loan) and the borrower requires control over it in order to make other payments, Barclays Bank PLC will typically require that the rental payments be swept within a reasonable period of time from receipt to a non-commingled account over which security will be taken or which will be in the name of Barclays Bank PLC, or an affiliate of Barclays Bank PLC or the relevant security agent.

In some instances, Barclays Bank PLC requires that the shareholders of or members in the borrower grant a security interest over their respective shareholdings or interests (as applicable) in the borrower so that Barclays Bank PLC or the relevant security agent can, if necessary, obtain control over the borrower by exercising rights granted in respect of the shares or membership interest (as applicable). By taking such control, Barclays Bank PLC or the relevant security agent could seek to influence the borrower's management of the relevant real property. Further, if the creditworthiness of the borrower and/or the value of the relevant property is regarded as insufficient by Barclays Bank PLC, Barclays Bank PLC may require that the obligations of the borrower under the loan be supported by way of a third party guarantee, indemnity, letter of credit or similar instrument.

While Barclays Bank PLC is consistent in the types of security interests it seeks in respect of any loan made by it, the relative importance of a particular type of security may vary depending on the circumstances of any particular loan, including the requirements of the jurisdiction in which such security interests would be enforced.

The security granted in respect of a Loan is held on trust for the Finance Parties by, in the case of the Agora Max Portfolio Loan, HBOS, in the case of the Gullwing Portfolio Loan and the Pitch 2 Portfolio Loan, Barclays Bank PLC and, in the case of the other Loans, Barclays Capital Mortgage Servicing Limited (each in its capacity as Security Agent).

Advance level

Barclays Bank PLC normally advances loans secured on commercial properties having a principal amount of between £3,000,000 and £1,000,000,000 (or equivalent in euro). Barclays Bank PLC will normally consider advancing loans up to a maximum of 85 per cent. of the valuation (as determined by independent professional valuers) of the underlying real property or properties financed at the time of origination of its loan. Barclays Bank PLC applies these parameters to potential loans on a case-by-case basis. Accordingly, where Barclays Bank PLC considers it appropriate, it may make loans outside these parameters.

Purpose of the loan

Generally, the purposes of loans made by Barclays Bank PLC are to acquire or refinance the relevant real property which constitutes security for the loan, to acquire the share capital in other companies, or units in trusts owning such real property and/or general purposes.

Repayment terms

The term of loans typically made by Barclays Bank PLC may be between three and ten years, although the majority of loans originated by Barclays Bank PLC have a term of between five and eight years. Loans may be "interest only" with bullet repayment at maturity or have defined principal repayment schedules or cash sweeps. The principal repayment schedule of a loan is structured to take account of the profile of the contractual rental income which Barclays Bank PLC anticipates that the relevant property will generate over the term of the loan and the anticipated realisable value of such property at the maturity of the loan. If a loan is prepaid in part, the principal repayment schedule of such loan may be amended to reflect such partial prepayment in accordance with the provisions of the relevant loan agreement. To the extent that a loan does not fully amortise by its scheduled maturity date, the borrower will be required to make a final bullet repayment.

In general, loans made by Barclays Bank PLC may be voluntarily prepaid by the relevant borrowers. Such prepayment is often contingent upon the payment of certain prepayment fees and break costs incurred by the lender. Under certain circumstances, Barclays Bank PLC will require mandatory prepayment of loans made by it. The most common circumstances in which Barclays Bank PLC requires mandatory prepayment is in the event of the relevant property being sold (unless, in certain cases, a suitable replacement property has been charged as security for the relevant loan within a specified period of time) or if it becomes unlawful for Barclays Bank PLC or its assigns to continue to fund the loan. For loans secured on more than one property, each property is allocated a proportion of the relevant loan and upon disposal of such property such portion may be subject to mandatory prepayment. In such circumstances an amount in excess of any amount allocated in the loan with respect to such property will generally be prepaid.

Insurance

In making a loan, Barclays Bank PLC places considerable importance on the insurance arrangements which exist with respect to the relevant real property. Barclays Bank PLC will expect, to the extent it is possible, each borrower to effect or procure, prior to a loan being drawn, that the following types of insurance cover are in place:

(a) insurance of the relevant property, including fixtures and improvements, on a full reinstatement basis including not less than three years' (or, in the case of some Loans, a shorter period as specified in the Lease) loss of rent;

(b) insurance against acts of terrorism other than where this is inappropriate or unreasonable or where this is unavailable (or in the case of the Agora Max Portfolio Loan, to the fullest extent available) in the United Kingdom insurance market, (in the case of the Greater London Portfolio Loans) the European insurance market or (in the case of the Pitch 2 Portfolio Loan) the insurance market generally; and

(c) such other insurance as a prudent company in the business of the relevant borrower would effect.

Barclays Bank PLC will generally expect the interest of the security agent to be noted on any insurance policy obtained by the borrower. Market practice in each jurisdiction in which Barclays Bank PLC originates loans will differ with respect to the nature of the insurance to be obtained and Barclays Bank PLC will take this into account in formulating its requirements. Barclays Bank PLC will however apply these parameters on a case-by-case basis and where Barclays Bank PLC considers it appropriate it may agree to different arrangements with respect to insurance policies, for example, where a freeholder has the ultimate obligation to insure, the borrower's obligation with respect to insurance will be modified accordingly. Where properties are leased to government entities, Barclays Bank PLC may, in place of standard insurance arrangements, expect an obligation from that government entity to the borrower to rebuild or repair where damage or destruction is caused by insurable risks as is customary for government tenants.

Property expenses

In making a loan, Barclays Bank PLC also considers the income generated by and the expenses to be incurred in respect of the relevant real property. The expenses which can be incurred in respect of a real property include, most significantly, property taxes, in cases where the Borrower has an obligation to insure, insurance and capital expenditure which must be incurred in order to maintain the property in a state of good order or in some cases to enhance the property. Given that cash-flow available to a borrower is typically limited to that which is generated by the relevant property, Barclays Bank PLC seeks to confirm, as part of the origination process, that all necessary expenses can be met out of such cash-flow without the borrower's ability to pay interest on or repay the principal of a loan being compromised. Barclays Bank PLC will, in connection with the above analysis, require the borrower to produce an estimated budget of property related expenses.

7. Diligence in connection with the Loans

In connection with each Loan originated by the Seller, the Property or Properties were evaluated as described below.

Title and other investigation

Certificates of title (each, a **Certificate of Title**) in relation to all of the Properties (each such Certificate of Title being substantially in the City of London Law Society's standard form) or reports on title (each, a **Report on Title**) were issued on or prior to the relevant Loan Closing Dates by the solicitors of each Borrower to the Relevant Security Agent, for the benefit of, among others, the Seller except in relation to certain Properties in respect of the G-res 1 Portfolio Loan. In the case of the G-res 1 Portfolio Loan, Certificates of Title were obtained in respect of the ten most valuable properties. In respect of the remaining 28 Properties, the Seller purchased title insurance from Stewart Title Limited (and a parent guarantee from Stewart Title Guaranty Co.).

The investigation required to provide the Certificates of Title or Reports on Title included the usual review of title documentation and the Land Registry entries (including any Lease under which a Property was held) together with all usual Land Registry, Local Authority and other appropriate searches. In addition, all Leases and tenancies affecting the Properties 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 or Reports on Title.

The Seller's solicitors also reviewed the Certificates of Title or Reports on Title issued by the solicitors of each Borrower and confirmed the adequacy of the form and content of the Certificates of Title or Report on Title and highlighted any matters that they considered should be drawn to the attention of the Seller and the Valuer.

Capacity of Obligors

The Seller's solicitors satisfied themselves that each Obligor was validly incorporated or established (other than those that are individuals), had sufficient power and capacity to enter into the proposed transaction, whether it was subject to any existing mortgages or charges, whether it was the subject of any insolvency proceedings and, generally, that the Obligors had complied with any necessary formalities.

Registration of security

Following each drawdown in respect of the Loans, the solicitors acting for the Seller ensured or will ensure that all necessary registrations in connection with taking security were attended to within all applicable time periods and appropriate notices served (where required by the terms of the relevant Credit Agreement). The title deeds in relation to each of the Properties are generally held by, or to the order of, the Relevant Security Agent and it is expected that this will continue to be the case after the relevant Loan Closing Dates. The solicitors of each Borrower will retain certain relevant commercial Leases for management purposes but will do so on the basis that they are held to the order of the Relevant Security Agent.

Property management

Where there is a manager for a Property (each a **Managing Agent** and together, the **Managing Agents**), that Managing Agent was approved by the Seller (in connection with the origination of the relevant Loan). Generally, a Managing Agent is responsible for responding to changes in the local market, planning and implementing the rental rate or operating structure, which may include

establishing levels of rent payments or rates, and insuring that maintenance and capital improvements are carried out in a timely fashion. For additional information on each management agreement, see the specific Loan descriptions under *Description of the Loans and related Properties* below. Generally, each Managing Agent will undertake a specific duty of care to the relevant Lender and/or the Relevant Security Agent in respect of the relevant Properties.

Valuations

An independent valuer conducted the Valuation, in order to establish the approximate value of the relevant Property or Properties. The Valuations are the basis for the valuation figures contained within this Prospectus.

Occupancy statements, operating statements and other data

The Seller took steps to review, to the extent available or applicable, rent rolls, Leases, and related information or statements of occupancy rates, market data, financial data, operating statements and receipts for insurance premiums. Borrowers were generally required to furnish available historical operating statements and operating budgets for the current year and provide Lease and tenancy schedules if and to the extent such information was available. This information was used in part as the basis of the information set out in this Prospectus. However, some Loans were acquisition facilities and accordingly there are only limited operating results for the related properties for the period following acquisition.

8. Acquisition of Loans

When determining whether to purchase a participation in a loan, Barclays Bank PLC and their advisers review, amongst other things, Certificates of Title, reports on title, valuation reports, technical reports, environmental reports, credit agreements, security documents and legal opinions with the aim of identifying loans that Barclays wishes to purchase. Such an exercise was undertaken when determining whether to purchase the Agora Max Portfolio Loan.

9. Standard form documentation

The terms of each Loan are documented in a Credit Agreement governed by English law. Each Credit Agreement and each Security Agreement (other than in respect of the Agora Max Portfolio Loan, the Workspace Portfolio Loan, Nos 2 & 3 Portfolio Loan, the Apex Loan and the G-res 1 Portfolio Loan), where security is granted over assets which are all situated in England and Wales is based on certain standard forms of documentation of Barclays Bank PLC, subject to any variations negotiated by the Relevant Borrower. Barclays Bank PLC generally resists any material or non-customary amendment to its standard forms of credit and security agreements unless such amendment is necessary in order to reflect the terms, conditions or structure of the relevant loan security.

There are two categories of standard forms used – a lengthy credit agreement for larger Loans and a shorter form document which is generally used for Loans in an amount less than £25 million. Each Credit Agreement contains the types of representations, warranties and undertakings on the part of the Relevant Borrower that a reasonably prudent lender making loans secured on commercial properties of the same type as the Properties would customarily require. A summary of the principal terms of each Credit Agreement is set out below.

The Agora Max Portfolio Loan was not originated by Barclays Bank PLC and is not therefore based on standard documentation of the Seller. The Credit Agreement and Security Agreement in respect of the Agora Max Portfolio Loan has, however, been reviewed to ensure that it satisfies the usual underwriting standards of Barclays Bank PLC.

10. The Credit Agreements

Loan amount and drawdown and further advances

The maximum amount of borrowing under each Credit Agreement is calculated by reference to the value of the property to be charged to the Relevant Security Agent (calculated by reference to the relevant Valuation).

Other than in the case of the Adelphi Revolver Loan, and GLP Revolver Loan, none of the Loans place an obligation on the Lender to make any further advance to the Relevant Borrower. Following the sale of the Loans to the Issuer and the transfer to the Issuer of the beneficial interests in the Security Trusts over the Related Security, the Relevant Servicer may not (other than in the case of the GLP Revolver Loan and subject to the terms of the Servicing Agreement) agree to an amendment of the terms of a Loan that would require the Issuer to make any further advances of principal to the Relevant Borrower or that would increase the available commitment in respect of either the Adelphi Revolver Loan or the GLP Revolver Loan, unless confirmation has been received from the Rating Agencies (where applicable) that any further advance of principal would not have an adverse effect on the then current ratings of the Notes. Other than in the case of the Adelphi Revolver Loan or the GLP Revolver Loan any such advances will only be made to the extent that the Issuer has sufficient funds available to it.

If and to the extent that money advanced by the Seller is deposited in an escrow account, to be released to the Relevant Borrower on satisfaction of further conditions precedent, such amounts will be deemed by the relevant Credit Agreement to have been advanced to the Relevant Borrower and will form part of the outstanding principal balance of the Loan and bear interest at the rate specified in the Credit Agreement.

Conditions precedent

The Seller's or, in respect of the Agora Max Portfolio Loan, HBOS's obligation to make a Loan under the relevant Credit Agreement was subject to the Relevant Security Agent or (in respect of the Workspace Portfolio Loan, the Sol Central Loan, the Lloyds Portfolio Loan, the Grafton Estate Portfolio Loan, the Gullwing Portfolio Loan, the Nos 2 & 3 Portfolio Loan and the Pitch 2 Portfolio Loan) the Lender first having received, in the usual manner, certain documents as conditions precedent to funding in form and substance satisfactory to it. The documentation required varied depending upon the terms of each Credit Agreement, though certain documents (duly executed) were required in all cases. These documents included, among other things: constitutional documents and board minutes for the Relevant Borrower and the relevant shareholder (if applicable), a Valuation in respect of the Relevant Borrower's interest in the Portfolio, evidence of appropriate insurance cover in respect of the relevant Property or Properties, all title documents (or an appropriate undertaking in respect of all title documents) relating to the Relevant Borrower's interest in the Portfolio, copies of all title searches related to the Relevant Borrower's interest in the Portfolio, execution of the Finance Documents (including the Security Agreement) and information relating to the appointment of the Managing Agent (if applicable).

Interest and amortisation payments/repayments

Each of the Loans provides that payment of quarterly instalments of interest and principal (if applicable) are due on (in respect of the Greater London Portfolio Loans and the Workspace Portfolio Loan) the 15th, (in respect of the Nos 2 & 3 Portfolio Loan, the Forster Hall Loan, the Snowhill Loan, the Lloyds Portfolio Loan and the Pitch 2 Portfolio Loan) the 16th and (in respect of the Amsterdam Place Loan, the Adelphi Loans, the Gullwing Portfolio Loan, the Grafton Estate Portfolio Loan, the G-res 1 Portfolio Loan, the Apex Loan, the Sol Central Loan, the Alba Gate Portfolio Loan, the

Wakefield Europort Loan, the St. George Portfolio Loan and the Criterion Loan) the 17th day of each January, April, July and October and (in respect of the Agora Max Portfolio Loan) the 10th day of each February, May, August and November.

The Loans all have original maturities of between approximately three and ten years. No Loan is scheduled to be repaid later than 17 January 2017.

Certain of the Credit Agreements provide for scheduled amortisation payments to be made by the relevant Borrower on each Loan Interest Payment Date in each case as described under the section entitled *Description of the Loans and related Properties* below. The Credit Agreement in respect of the Nos 2 & 3 Portfolio Loan provides that the Relevant Borrower is not required to make amortisation payments if the LTV in respect of the relevant Loan is less than 75 per cent.

The Credit Agreements permit the Relevant Borrower to prepay the relevant Loan on any Loan Interest Payment Date in whole or in part (but, if in part, subject to a minimum prepayment amount) by giving a minimum number of Business Days' prior written notice to the Lender. In addition, certain of the Credit Agreements provide that if the Relevant Borrower must prepay the Loan at any other time, if prepayment is made on a day which is not a Loan Interest Payment Date, the Relevant Borrower must also pay to the Lender the amount of interest that would have been payable on the immediately succeeding Loan Interest Payment Date had no such prepayment occurred. Voluntary prepayment of a Loan may be subject to payment of certain prepayment fees by the relevant borrower.

Prepayment Fees will not generally be payable in the following circumstances:

(a) where it becomes unlawful for a Lender to perform any of its obligations under a Finance Document or to fund or maintain its share in a Loan and the Relevant Borrower prepays;

(b) where the Relevant Borrower prepays on account of an increase in a Lender's costs arising out of a change of law or regulation which have been passed on to it;

(c) where the Relevant Borrower prepays on account of being required to make a Tax Payment to a Finance Party; or

(d) where the Relevant Borrower prepays after the lapse of a certain amount of time.

In addition to any prepayment fees to be paid by the Relevant Borrower, the Relevant Borrower may be required to pay to the Lender an amount (determined by the Lender) that would compensate the Lender against any loss or liability that it incurs or suffers as a consequence of any part of the Loan or overdue amount being prepaid or repaid other than in the amounts and on the dates set out in the relevant Credit Agreement, together with certain costs incurred as a result of the termination of all or any part of the Lender's related funding arrangement (including, but not limited to any swap arrangements) (the **Break Costs**), in each case as more specifically set out in the relevant Credit Agreement. Where a Borrower prepays a loan other than on a Loan Interest Payment Date, any amount paid by the Borrower in respect of interest that would be due on the next Loan Interest Payment Date, had no such prepayment occurred, will be included as Available Issuer Income and will not form part of any Prepayment Fees or Break Costs.

In some instances, the Lender is required to reimburse to the Relevant Borrower (or apply against amounts due under the relevant Loan) any gains made by the Lender as a result of any part of a Loan or overdue amount being prepaid or repaid other than in accordance with the relevant Credit Agreement (the **Break Gains**).

Tax Payment means a payment made by a Borrower to a relevant Finance Party in any way relating to a Tax Deduction or under any indemnity given by that Borrower in respect of tax under any relevant Finance Document. **Tax Deduction** means a deduction or withholding for or on account of tax from a payment under a Finance Document.

With respect to the Senior Adelphi Loan, the Criterion Loan, the G-res 1 Portfolio Loan, the Greater London Portfolio Loans and the Agora Max Portfolio Loan, in connection with repayments and prepayments by the Relevant Borrower where the notional amount of the relevant Loan Hedging Arrangement exceeds the aggregate amount of the relevant advance of the Relevant Loan then outstanding following repayments and prepayments by the Relevant Borrower, the Relevant Borrower will, at the request of the Relevant Security Agent, be required to reduce the notional amount of the relevant Loan Hedging Arrangements as described further in *Hedging Obligations* below.

On each Loan Interest Payment Date, monies will be debited from the Rent Account (or in the case of the G-res 1 Portfolio Loan, the Revenue Holding Account) to discharge any interest, principal payments and/or other sums due under the relevant Credit Agreement and the Loan Hedging Arrangements (if applicable). Any surplus monies standing to the credit of the relevant Rent Account after all due payments have been made in accordance with the relevant waterfall described in the relevant Credit Agreement (after payment of certain other prescribed costs, fees and expenses) will be paid to the relevant General Account unless certain provisions of the Credit Agreements are not satisfied including, in the case of Barclays Bank PLC originated Loans, an interest or debt service cover test and, subject to there being no Loan Event of Default outstanding and the satisfaction of certain other conditions set out in the relevant Credit Agreement, may be withdrawn by the Relevant Borrower. In the case of the Criterion Whole Loan, monies due under the relevant Credit Agreement will be paid into a separate tranching account in the name of the Relevant Security Agent to be paid to the Seller and the Junior Lender and following the sale of the Loans to the Issuer, as applicable, the Issuer and the Junior Lender in accordance with the terms of the relevant Intercreditor Agreement.

Any rental income, amount payable under hedging arrangements and amounts payable by way of adjustments of consideration payable in respect of the Senior Adelphi Loan and the Criterion Loan is to be paid into the Rent Account and distributed, subject to the relevant Intercreditor Agreement, in accordance with the Credit Agreement (see *The Loans and the Loan Security – Intercreditor Agreement* below).

Borrower Accounts

Pursuant to the terms of the Credit Agreements, the Borrowers have each established a number of bank accounts (as described below, the **Borrower Accounts**) into which rental income and other monies received in connection with the Properties may be required to be paid. Following a Loan Event of Default, the Relevant Security Agent or (in respect of the Workspace Portfolio Loan) the Lender will (except in the case of certain of the Borrower Accounts in respect of the Agora Max Portfolio Loan, the Snowhill Loan, the Apex Loan, the Lloyds Portfolio Loan, the Grafton Estate Portfolio Loan and the Pitch 2 Portfolio Loan) 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. With respect to the Agora Max Portfolio Loan, security is only granted over the Rent Account and the disposal proceeds account. The Relevant Security Agent therefore has control over such Borrower Accounts but does not have any control over the other Borrower Accounts, being the service charge account, operating costs account and a redevelopment account.

Under the Credit Agreements, other than in respect of the Agora Max Portfolio Loan, the Criterion Loan and the Pitch 2 Portfolio Loan, certain of the Borrower Accounts must be maintained with Barclays Bank PLC or one of its subsidiaries or affiliates. The Borrower Accounts in respect of the Agora Max Portfolio Loan must be maintained with HBOS in Jersey (unless the Relevant Security

Agent requests such Borrower Accounts to be moved to another bank). The Borrower Accounts in respect of the Criterion Loan are held in the Isle of Man at The Royal Bank of Scotland International Limited. The Borrower Accounts in relation to the Wakefield Europort Loan are held in the Isle of Man at Barclays Private Clients International Limited and the Borrower Accounts in respect of the Adelphi Loans are held in Jersey at Barclays Private Clients International Limited.

The Borrower Accounts in respect of a Relevant Borrower will include all or some of the following accounts:

(a) *General Account*

The Relevant Borrower (where applicable) is required to ensure that any amounts received by it (other than amounts required under the relevant Credit Agreement to be transferred to any other account) are paid into a current account (the **General Account**) in the name of that Borrower.

Where the Borrower is required to maintain a General Account (subject to any restriction in a Subordination Agreement and to the satisfaction of certain conditions precedent set out in the relevant Credit Agreement, other than in the case of the Alba Gate Portfolio Loan, prior to any Loan Event of Default), the Relevant Borrower is permitted to make withdrawals from its General Account. Other than in the case of the Agora Max Portfolio Loan and the Pitch 2 Portfolio Loan, following any Loan Event of Default, the Relevant Security Agent will or, in the case of the Nos 2 & 3 Portfolio Loan, the Gullwing Portfolio Loan, the Greater London Portfolio Loans, the Workspace Portfolio Loan, the Lloyds Portfolio Loan, the Grafton Estate Portfolio Loan and the Criterion Loan, may assume control of the relevant General Account and will be permitted to apply amounts standing to the credit of that General Account towards payment of the Relevant Borrower's obligations under the Finance Documents.

In respect of those Borrower Accounts where the Relevant Security Agent has sole or joint signing rights with the Relevant Borrower, such rights of the Relevant Security Agent where permitted will be delegated to the Master Servicer, pursuant to the terms of the Servicing Agreement.

(b) *Rent Account*

The Relevant Borrower (where applicable) is, subject to the terms of the relevant Credit Agreement, required to ensure that all rental income (less, in the majority of cases, service charges or service charge shortfalls or other liabilities due in respect of any Property, any amounts paid or payable to that Borrower by any Tenant by way of contribution to insurance premiums, the cost of an insurance valuation or (in certain cases) a sinking fund and taxes) are paid into the Relevant Borrower's rent account (each a **Rent Account**) either directly or by way of (in the case of the Snowhill Loan and the Apex Loan) immediate or prompt sweep, or (in the case of the Workspace Portfolio Loan, the Lloyds Portfolio Loan, the Grafton Estate Portfolio Loan, the Sol Central Loan, the Nos 2 & 3 Portfolio Loan and the Gullwing Portfolio Loan) the transfer from a client trust account, managed by the relevant Managing Agent. The Relevant Security Agent or the Lender may have sole signing rights in relation to the Rent Account held by the Relevant Borrower (other than in relation to the Rent Account held by the Agora Max Borrower) and, where applicable, is irrevocably authorised by the Relevant Borrower on each Loan Interest Payment Date to apply amounts standing to the credit of its Rent Account in each case in accordance with a specified order of priority or as otherwise provided under the terms of the relevant Credit Agreement. In most cases this order of priority provides for amounts first to be applied to pay certain costs of the Relevant Security Agent and, if applicable, the relevant Loan Hedge Counterparty and then to make payment to the Lender of amounts due under the Credit Agreement. Following such payments, amounts may then be released to the Relevant Borrower, subject to certain conditions and provisions for certain other costs and expenses, including (in some instances) service charges and improvement costs or (subject to the terms of the relevant Intercreditor

Agreement) payments to any subordinated lender not otherwise paid in priority to amounts due under the Loan.

(c) *Rental Deposit Account*

The Security Agent or the Lender, as applicable, has sole signing rights in relation to each **Rental Deposit Account**, which (where applicable) is an account in the name of the Relevant Borrower. Each Borrower is, where applicable, required to ensure that any amount payable by any relevant Tenant under a Lease by way of deposit in respect of rent is paid into its Rental Deposit Account. Subject to the terms of the relevant Lease in respect of which such an amount is held, on a Loan Interest Payment Date, the Relevant Security Agent may transfer any amount standing to the credit of the relevant Rental Deposit Account which is referable to a Tenant into the relevant Rent Account, or (in the case of the Gullwing Portfolio Loan) directly to the Lender, to the extent necessary to make good any failure by that Tenant to meet its obligations to pay rent under the relevant Lease.

(d) *Sales Account*

The Relevant Security Agent or the Lender, as applicable, has sole signing rights in relation to each **Sales Account**, which (where applicable) is an account maintained in the name of the Relevant Borrower into which the Required Amount (as defined below) must be paid on any disposal of a Property or Properties in accordance with the relevant Credit Agreement. The Relevant Security Agent or the Lender, as applicable, will be permitted to apply amounts standing to the credit of the Sales Account in the manner more particularly described in *Disposals and substitutions* below including, but not limited to, the application of amounts standing to the credit of the Sales Account to meet the Relevant Borrower's obligations under the Finance Documents.

For more detailed information on the disposal and substitution of a Property or Properties and prepayment of amounts paid into the Sales Account, see *Disposals and substitutions* below.

(e) *Other accounts*

The Relevant Borrower (where applicable) may be required under the terms of the relevant Credit Agreement to maintain one or more further accounts in addition to those set out above, including, but not limited to, an escrow account, into which funds advanced by the Seller may be deposited and either used to discharge interest payments due under the relevant credit agreement or released to the Relevant Borrower at a date upon fulfilment of certain conditions precedent, a collateral account where amounts are deposited and used to cover future shortfalls in respect of amounts standing to the credit of the Rent Account and a deposit account into which a certain percentage of excess rental income may be deposited to ensure compliance with certain interest cover ratio tests, a tenant contribution account into which monies received in respect of tenant contributions are deposited and applied in accordance with the lease documents and tenant contribution reserve account into which amounts standing to the tenant contribution account may be transferred if there is an outstanding Loan Event of Default. The Relevant Security Agent has sole signing rights in relation to each escrow account, deposit account or collateral account. Additionally, in relation to some Loans, money standing to the credit of the escrow account and/or deposit account and/or collateral account can be used to cure a breach of the covenant to ensure that annual net rental income is equal to or exceeds a certain percentage of annual finance costs. For further information on the escrow accounts in respect of certain of the Loans, see *Description of the Loans and Related Properties.*

Hedging Obligations

Under the terms of the Credit Agreements for the Senior Adelphi Loan, the Criterion Loan, the G-res 1 Portfolio Loan, the Greater London Portfolio Loans and the Agora Max Portfolio Loan, in respect of

which a floating rate of interest is paid by the Relevant Borrower, the Relevant Borrower is required (other than, in the case of the Greater London Borrowers, in respect of the GLP Revolver Loan) to maintain (subject to the limits described below) interest rate hedging arrangements to protect against the risk that the interest rate payable by it under the relevant Loans may increase to levels which would impact on its ability to meet its payment obligations under the relevant Loan, bearing in mind the Relevant Borrower's income (which comprises, primarily, rental income in respect of their Properties and which does not vary according to prevailing interest rates). In order to comply with these obligations, the Relevant Borrowers have entered into Loan Hedging Arrangements with a Loan Hedge Counterparty which are acceptable to the Relevant Security Agent. In the case of the Greater London Portfolio Loans, the Relevant Borrowers are required to maintain interest rate hedging arrangements, in accordance with the applicable Loan Hedging Arrangements, in respect of the GLP Term Loan only.

None of the Relevant Borrowers or the relevant Loan Hedge Counterparty will be entitled to amend or waive the terms of the relevant Loan Hedging Arrangement without the consent of the Relevant Security Agent (such consent not to be unreasonably withheld or delayed in the case of the GLP Term Loan and the Criterion Loan). Except as set forth above, neither the Adelphi Borrower, the Criterion Borrowers, the G-res 1 Borrower, the Greater London Borrower, the Agora Max Borrower nor the relevant Loan Hedge Counterparty will be permitted to terminate or close out the relevant Loan Hedging Arrangements (in whole or in part) except:

(a) in case of illegality;

(b) where the Loan and all other outstanding amounts under the relevant Finance Documents have been unconditionally and irrevocably paid and discharged in full;

(c) under the circumstances set out under the heading *Loan Hedging Arrangements* for each of the Senior Adelphi Loan, the Criterion Loan, the G-res 1 Portfolio Loan, the GLP Term Loan and the Agora Max Portfolio Loan in the section *Descriptions of the Loans and the Related Properties*.

The Loan Hedging Arrangements in respect of the Senior Adelphi Loan, the Agora Max Portfolio Loan, the Criterion Loan and the GLP Term Loan are scheduled to remain in place for several years after the maturity of the relevant Loan. For a consideration of the risks associated with such long dated Loan Hedging Arrangements see further *Risk Factors – Considerations relating to the Loans and the Loan Security – Hedging Risks – Loan Hedging Arrangements*.

Representations and warranties

The representations and warranties given (or to be given) by each Borrower, Obligor and/or property owner, as applicable, under the relevant Credit Agreement, as of the date of the relevant Credit Agreement and (subject to certain exceptions), the date of the request for the relevant Loan, the date of drawdown and each Interest Payment Date, generally include among other things, the following representations (subject in each case to the specific terms, concessions and negotiations set out in or represented by the relevant Credit Agreement):

(a) the Relevant Borrower, any other Obligor and property owner, where applicable, is duly incorporated or established and validly existing under the laws of the jurisdiction of its incorporation or establishment;

(b) the Relevant Borrower has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of, the Finance Documents to which it is or

will be a party and the transactions contemplated by those Finance Documents. No such representation or warranty as to authorisation will be given by the Individual Borrowers;

(c) subject to certain reservations as to matters of law, each Finance Document to which the Relevant Borrower, as applicable, is a party constitutes legally binding, valid and enforceable obligations of the Relevant Borrower, as applicable, and will not conflict with any applicable law or regulation, the constitutional documents of the Relevant Borrower, as applicable, or any document binding on the Relevant Borrower, as applicable, or any of its assets;

(d) no Loan Event of Default is outstanding or is or might reasonably result from the execution or performance of any transaction contemplated by the Finance Documents and no other event which constitutes an event of default under any other document binding on the Relevant Borrower or any of its assets is outstanding which has or is reasonably likely to have a material adverse effect on the Relevant Borrower's, as applicable, ability to perform its obligations under any Finance Document;

(e) subject to due registration of the relevant Loan security documents, all authorisations required in connection with entry into, performance, validity and enforceability of the Finance Documents have been obtained or effected and are in full force and effect;

(f) the Relevant Borrower or Chargor (as the case may be) is the legal and/or beneficial owner of each relevant Property (as applicable);

(g) subject to registration where required and certain reservations as to matters of law, the security conferred by each security document constitutes a first priority security interest over the assets referred to in that security document and the assets are not subject to any prior or *pari passu* security interests;

(h) (other than in respect of certain of the Loans, where the commencement of litigation, arbitration or administrative proceedings are a Loan Event of Default) no litigation, arbitration or administrative proceedings are, to the knowledge of the Relevant Borrower, current or threatened which have or would be reasonably likely to have a material adverse effect on the Relevant Borrower's ability to perform its obligations under any Finance Document;

(i) subject to certain qualifications in respect of some of the Loans, all relevant information supplied by the Relevant Borrower to any Finance Party in connection with the Finance Documents was as at its date or (if appropriate) as at the date (if any) at which it was stated to be given:

(i) true and accurate in all material aspects; and

(ii) insofar as it consists of financial projections, such projections have been prepared as at their date, on the basis of recent historical information and assumptions believed by the Relevant Borrower to be fair and reasonable,

and did not omit any information which, if disclosed, would make the information supplied untrue or misleading in any material respect;

(j) as at the date of the relevant Credit Agreement and at the date of any drawdown in respect of the relevant Loan, nothing had occurred since the date the information referred to in sub-paragraph (i) above which, if disclosed, would, to the best of the Borrower's knowledge and belief, make that information untrue or misleading in any material respect. No such

representation or warranty has been made in respect of the Nos 2 & 3 Portfolio Loan, the Gullwing Portfolio Loan and the Workspace Portfolio Loan;

(k) subject to certain qualifications in respect of some of the Loans, all information supplied by the Relevant Borrower or on its behalf to the Valuer for the purposes of each Valuation was true and accurate in all material respects as at its date and did not omit any information which might adversely affect the Valuation;

(l) where applicable, the accounts of the Relevant Borrower most recently delivered to the Seller and Security Agent have been prepared in accordance with accounting principles and practices generally accepted in its jurisdiction of incorporation and/or fairly represent the financial condition of the Relevant Borrower as at the date to which they were drawn up, except, in each case, as disclosed to the contrary in those financial statements;

(m) since the date of its incorporation or establishment, the Relevant Borrower, Obligor and/or property owner, as applicable, have (so far as it is aware) not carried on any business except for the ownership and management (and, in certain cases, the acquisition letting, development and/or the financing) of its interests in the relevant Properties and, in the case of the Agora Max Portfolio Loan, its Subsidiaries;

(n) the Relevant Borrower or some or all of the Obligors, as applicable, has no subsidiaries (other than approved subsidiaries in the case of the Greater London Borrowers, the nominee company in respect of the Workspace Portfolio Loan, the legal owner of the relevant Property in respect of the Apex Loan and the Gullwing Portfolio Loan) or employees; and

(o) (in the case of the Agora Max Borrowers) each Relevant Borrower has no subsidiaries except for property owners and that each property owner which is a member of the Group has not traded or carried on business except for the ownership, acquisition, management of property owned by it.

Certain of the representations and warranties set out above are not applicable to the Individual Borrowers and/or the trustee Borrowers in respect of the Agora Max Portfolio Loan and the Pitch 2 Portfolio Loan. In respect of such Loans, certain of the representations and warranties set out above may be modified, or in respect of a trust, limited to the trust assets or, where applicable, not included in the relevant Credit Agreement.

Undertakings

Each Borrower, Obligor and/or property owner, as applicable, has given various undertakings under the relevant Credit Agreement which will take effect so long as any amount is outstanding under the relevant Loan or any relevant commitment is in place. These undertakings generally include, among other things, the following (subject in each case to the specific terms, concessions and negotiations set out in or represented by the relevant Credit Agreement):

(a) where applicable, to provide the Lenders and the Relevant Security Agent with its audited or certified accounts for each of its financial years, within a certain specified time of the end of each financial year, and, in some cases, unaudited financial statements for each of its financial half-years (to the extent produced) within a certain specified time of each financial half-year or (in some instances) quarter;

(b) to supply details of any material litigation, arbitration or administrative proceedings which are current, threatened or pending and which might if adversely determined, have a material

adverse effect on the Relevant Borrower's ability to perform certain obligations under any Finance Document;

(c) to notify the Lender or the Relevant Security Agent promptly of any Loan Event of Default;

(d) to supply promptly on request such information in the Relevant Borrower's possession or control regarding, among other things, its financial condition and operations or any Property as the Lender may reasonably request;

(e) to procure that the Relevant Borrower's payment obligations under the Finance Documents rank at least *pari passu* with all other present and future unsecured payment obligations and not to create or allow to exist any charge arising over any of its assets or assets secured under the relevant Security Agreement (other than certain customary exceptions);

(f) (subject to *Disposals and Substitutions* below) not to dispose of all or any part of its assets or assets that are secured under the Finance Documents, subject to certain customary exceptions, including (where applicable) where substitution or disposal of Properties is permitted under the terms of the relevant Credit Agreement;

(g) not to enter into any amalgamation, demerger, merger or reconstruction (if applicable);

(h) not to carry on any business other than the ownership and, in most cases, management, refurbishment, letting and development of its interests in the relevant Properties or (subject to certain exceptions) to have any subsidiaries or (subject to certain exceptions) to make any loans;

(i) not to provide any form of credit or to give any guarantee or indemnity to any person (other than, on a subordinated basis or in respect of the Pitch 2 Borrower which do not relate in any way to the Pitch 2 Trust and Pitch 2 Trust Fund) except in certain transactions there may be exceptional permitted payments or loans to the shareholder or rent free periods granted under Occupational Leases or in the case of the Alba Gate Portfolio Loan in respect of the ownership and management of each Property;

(j) not to incur any indebtedness (subject to certain exceptions or in the case of the Alba Gate Portfolio Loan in respect of the ownership and management of each Property);

(k) in relation to the Pitch 2 Trust where it would be reasonably likely to have a materially adverse effect and the Agora Max Borrowers not to enter into any contracts other than the Finance Documents or contracts in connection with the day to day management, operation, letting and development of the relevant Properties, or (in respect of the Pitch 2 Portfolio Loan) certain non-recourse properties, or contracts in the ordinary course of business and on arm's length terms or otherwise as permitted under the Credit Agreement. No such undertaking has been given by the Gullwing Borrower, the Nos 2 & 3 Borrowers, the Workspace Borrower, the Lloyds Borrower, the Grafton Borrowers, the Sol Central Borrowers and the Alba Gate Borrowers;

(l) where applicable, not to declare or pay any dividend or make any distribution in respect of its shares or membership interests, not to issue any further shares or alter any rights attaching to its issued shares as at the date of the relevant Credit Agreement nor to repay or redeem any of its share capital other than as expressly permitted in the relevant Credit Agreement or under the terms of a subordinated loan agreement. No such undertaking has been given by the Nos 2 & 3 Borrowers, the Workspace Borrower, the Lloyds Borrower, the Grafton Borrowers, the Sol Central Borrower, the Alba Gate Borrowers;

(m) not to be a member of a value added tax group and subject to certain exceptions in some cases, without the prior written consent of the Lenders. No such undertaking has been given by the Relevant Borrower under the Gullwing Portfolio Loan, the Workspace Portfolio Loan, the Nos 2 & 3 Portfolio Loan, the Lloyds Portfolio Loan, the Grafton Estate Portfolio Loan, the Alba Gate Portfolio Loan, and the Sol Central Loan. However, in respect of the above mentioned Loans (other than the Lloyds Portfolio Loan) it was a condition precedent to the drawdown of those Loans that the Relevant Borrower was not a member of a value added tax group. In respect of the Lloyds Portfolio Loan, the Relevant Borrower has represented that it is not a member of a value added tax group;

(n) where applicable, not to cause or allow its registered office or "centre of main interests" (within the meaning of Council Regulation (EC) no. 1346/2000 on insolvency proceedings) to be in or maintain an establishment in any jurisdiction other than its jurisdiction of incorporation. No such undertaking has been given by the Gullwing Portfolio Loan, the Apex Loan, the Nos 2 & 3 Portfolio Loan, the Lloyds Portfolio Loan, the Grafton Estate Portfolio Loan, the Alba Gate Portfolio Loan and the Sol Central Loan;

(o) to comply with certain customary undertakings regarding the administration of Leases and (other than in the case of the Alba Gate Portfolio Loan) the appointment of Managing Agents in respect of the relevant Properties. Each of the Relevant Borrowers needs to use reasonable endeavours to procure that the Managing Agent complies with the terms of its engagement and enters into a Duty of Care Agreement;

(p) to maintain insurance or procure the maintenance of insurance on the relevant Properties on a full reinstatement value basis and for not less than three years' (or, in the case of some Loans, a shorter period as specified in the Lease) loss of rent on all Leases together with third party liability insurance and, insurance against acts of terrorism and to procure that the Relevant Security Agent is named as co-insured on or its interest otherwise noted in respect of all relevant Insurance Policies;

(q) to ensure projected annual or quarterly net rental income as a percentage of projected annual or quarterly finance costs, as applicable, or (in the case of the Agora Max Portfolio Loan) interest, each as estimated from time to time by the Relevant Security Agent of at least 110 per cent. and to maintain actual quarterly net rental income as a percentage of actual quarterly finance costs of at least 110 per cent. in both cases at each Loan Interest Payment Date (subject in each case to specific exceptions set out in the relevant Credit Agreement); and

(r) (in the case of the Agora Max Borrowers and the Pitch 2 Borrower) not to amend the Trust Instrument, as defined in the relevant Credit Agreement, or exercise rights thereunder in a manner that would conflict with the Trust Instrument in addition to certain other customary undertakings, given by a trustee in relation to a trust instrument and trust property under English law.

Certain of the undertakings set out above are not applicable to the Individual Borrowers and/or the Trustee Borrowers in respect of the Agora Max Portfolio Loan and the Pitch 2 Portfolio Loan. In respect of such Loans, certain of the undertakings set out above, may be modified, (in respect of the trust Borrower) limited to the trust assets or, where applicable, not included in the relevant Credit Agreement.

Disposals and Substitutions

The Relevant Borrower may (in respect of certain of the Loans only with the consent of the Lender) in certain cases be permitted to dispose of and/or substitute Properties in accordance with the terms of the relevant Credit Agreement, or otherwise with the consent of the Lender or Security Agent, as applicable.

In some cases, the Relevant Borrower may dispose of a Property, or a shareholder is entitled to dispose of shares in the Relevant Borrower, if the net disposal proceeds are at least equal to a minimum specified amount (the **Required Amount**). On disposal of a Property or Properties in accordance with the terms of the relevant Credit Agreement, the Required Amount, if not applied in repayment of the Loan, must be paid into the Sales Account or the Rental Deposit Account or the Disposal Proceeds Account. If the net disposal proceeds would be less than the Required Amount, the Relevant Borrower must on or prior to the date of any disposal, in the case of the Gullwing Portfolio Loan, the Nos 2 & 3 Portfolio Loan, the Greater London Portfolio Loans, the Pitch 2 Portfolio Loan, the Lloyds Portfolio Loan and the Workspace Portfolio Loan, procure that an amount equal to this shortfall is also deposited into the Sales Account. In the case of the Adelphi Loans, the Borrower may dispose of the Property provided that the disposal proceeds are used to repay or prepay the Loan. In the case of the Agora Max Portfolio Loan, the Relevant Borrowers and/or property owner may dispose of any Property, provided that the disposal proceeds are used to prepay the Loan or to substitute the Property in accordance with the terms of the relevant Credit Agreement. In respect of the Agora Max Portfolio Loan, there is no requirement that the disposal proceeds be equal to a Required Amount.

Pursuant to certain of the Credit Agreements, amounts standing to the credit of the Sales Account or the Rental Deposit Account, as applicable, must be applied either in prepayment of the relevant Loan or subject to meeting certain prescribed conditions, towards acquiring a substitute property within a specified time period and (in some cases) may be utilised in payment of amounts due under the Finance Documents (where there are insufficient funds in the Rent Account).

In the case of the Agora Max Portfolio Loan, the Agent (acting on instructions of all Lenders) must approve the new Property, shares or units. However, if there is an exchange of a Property for assets comparable or superior as to type, value or quality, the Relevant Credit Agreement does not require the consent of the Agent or the Lenders. The Lender and the Relevant Borrowers have however entered into a side-letter pursuant to which the Borrowers have confirmed they will not exchange Properties without Barclays' consent.

In the case of the Greater London Portfolio Loans disposal proceeds are to be used first in repaying any outstanding GLP Revolver Loans which relate to the Property or Properties directly or indirectly disposed of and thereafter to be used in repaying any amount outstanding in respect of the GLP Term Loan.

If the proceeds are permitted to be applied towards acquiring a new property, such application generally will be conditional upon satisfaction of certain conditions, including in some cases:

(a) the projected net rental income for the new property and the remaining Properties in respect of that Loan being sufficient to enable the Borrower to repay the Loan;

(b) the new property satisfying certain minimum value requirements and the aggregate market value of all new properties acquired not exceeding a specified maximum percentage of the aggregate market value of the Properties (determined in accordance with the Valuation);

(c) the additional Property is similar in nature and quality in all material respects to the Property being released;

(d) any substitution will not cause the relevant interest cover level to fall below the amount specified in the relevant Credit Agreement; and

(e) the Lender or the Relevant Security Agent, as applicable, receiving, in the usual manner, certain documents and other matters as conditions precedent to the acquisition of the new property and as it may reasonably request.

In respect of the Agora Max Portfolio Loan, any substitute property must be of a comparable or superior value, type and quality to such property being replaced.

Events of default

The Credit Agreements contain the usual events of default for transactions of this kind entitling the Relevant Security Agent (subject, in certain cases, to customary grace periods and materiality thresholds) to accelerate the relevant Loan and enforce the Related Security, including, among other things:

(a) failure to pay on the due date any amount due under the Finance Documents;

(b) breach of other specified obligations under the Finance Documents;

(c) any representation or warranty made or repeated by the Relevant Borrower and in some cases, the relevant property owner or the relevant shareholder was incorrect in any material respect at the date it was given or when it was deemed to be repeated;

(d) the Relevant Borrower, Obligor, or property owner as applicable, is or is deemed to be unable to pay its debts or is insolvent or other insolvency acts or events occur including, among other things, the commencement of insolvency proceedings, the appointment of any liquidator or administrative receiver or the attachment or sequestration of any asset or bankruptcy for an individual;

(e) the Relevant Borrower ceases or threatens to cease, to carry on, all or a substantial part of its permitted business except, in some cases, as a result of any disposal that is permitted under the terms of the relevant Credit Agreement. The relevant Credit Agreement in respect of the Nos 2 & 3 Portfolio Loan, the Workspace Portfolio Loan, the Alba Gate Portfolio Loan and the Gullwing Portfolio Loan, does not contain such an Event of Default;

(f) it is or becomes unlawful for the Relevant Borrower, Obligor, or the relevant shareholder or the Pitch 2 Trust or member to perform any of its obligations under any Finance Document;

(g) any Finance Document or (in the case of the Agora Max Portfolio Loan) the security documents or the Agora Max Intercreditor Agreement is not effective, is defective or is not in full force and effect, as the case may be, or (except in some cases) is alleged by the Relevant Borrower or Obligor, the relevant shareholder or member to be ineffective for any reason;

(h) where applicable, the Relevant Borrower, or certain other specified parties without the prior written consent of the Lender, is not or ceases to be legally and beneficially owned by the relevant shareholder or by other specified parties (as appropriate) or, in respect of some of the Loans there is a change in ownership of shares or any person or persons gains the power to

direct the relevant Borrowers management and policies whether through ownership or voting capability by contract or otherwise;

(i) an event or series of events occurs which (in the case of certain loans, in the determination of the Lender, acting reasonably) has or is reasonably likely to have a material adverse effect on the Relevant Borrower's ability to perform certain of its obligations under any Finance Document or in the case of certain Loans has an adverse change in the Borrower's financial or trading position or prospects which in the Lender's reasonable opinion is material or would have a material adverse effect on the Borrower's ability to perform its obligations under the Loan; and

(j) in certain cases where relevant any other provider of finance to the Borrower becomes entitled to demand early repayment of any other borrowings of the Borrower as a result of the breach of any term or condition of a Loan or facility by the Borrower.

In most cases, the Credit Agreements include customary grace periods in relation to non-payment and breaches of other obligations. These grace periods are no longer than five Business Days or 21 Business Days, respectively.

Certain of the Loan Events of Default set out above are not applicable to the Individual Borrowers and/or the trustee Borrower in respect of the Agora Max Portfolio Loan and the Pitch 2 Portfolio Loan. In respect of such Loans certain of the Loan Events of Default set out above may be modified, (in respect of the trust Borrower) limited to the trust assets or, where applicable, not included as a Loan Event of Default in the relevant Credit Agreement.

If a Loan Event of Default has not been remedied within the applicable grace period, the Relevant Security Agent may by notice to the Relevant Borrower cancel any outstanding commitments under the relevant Credit Agreement, demand that all or part of the relevant Loan becomes immediately due and payable and/or demand that all or part of the relevant Loan becomes payable on demand by the Lender and/or declare the security constituted by the relevant Security Agreement to be enforceable. After the Closing Date, the Relevant Servicer will (as agent of the Issuer and the Security Agent) carry out any enforcement procedures in respect of the Loan in accordance with the terms of the Servicing Agreement (subject to the terms of the Agora Max Intercreditor Agreement). Any procedures adopted by the Relevant Servicer or the Relevant Security Agent may involve the deferral of formal enforcement procedures, such as the appointment of an LPA Receiver or an administrator and may involve the restructuring of the Loan by the amendment or waiver of certain of its provisions. Any such restructuring would have to comply with the requirements of the Servicing Agreement and (in the case of the Junior Loans and the Agora Max Portfolio Loan) the Agora Max Intercreditor Agreement and the Intercreditor Agreements, respectively. In the case of the Agora Max Portfolio Loan, if a Loan Event of Default occurs as a result of a breach of a financial covenant, the Agent may (in addition) initiate an investigation into the business and affairs of the relevant Borrowers.

11. The Loan Security

General

Each Security Agreement (the security created thereby being, in relation to each Loan, the **Related Security**) secures, among other things, all of the obligations of the relevant Obligor pursuant to the Finance Documents. Each Security Agreement creates a security trust over the Chargor's assets such that the Security Agent holds the security created thereby on trust for the benefit of the Lenders (which, after the Closing Date, will be or include the Issuer) and (in the case of the Adelphi Loans and the Criterion Loan) the Junior Lender and (in the case of the Agora Max Portfolio Loan) the Agora

Max Existing Senior A Lenders, the Agora Max Senior B Lenders and the Agora Max Junior Lenders and the other Finance Parties (including, in respect of the Loans which provide for Loan Hedging Arrangements, the Loan Hedge Counterparty).

Representations and warranties

The representations and warranties given and to be given by the Chargor in the relevant Credit Agreement or Security Agreement or (in the case of the Agora Max Portfolio Loan) given by the Borrower on behalf of the Chargor, in connection with the Related Security, as of the date of the relevant Security Agreement and, among others, on the first day of each Loan Interest Period, include and will include statements (as appropriate and in respect of certain of the Loans, unless substantially the same representations and warranties are made by the Relevant Borrower and/or Obligor, as applicable, in respect of the relevant Credit Agreement) to the effect that, among other things, and subject in limited cases to customary exceptions and qualifications:

(a) the Security Agreement creates the security interests it purports to create and, other than in certain cases, is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise;

(b) the Chargor (and in some cases, to the best of its knowledge having made all reasonable enquiries each Tenant under any Lease) has obtained all consents, licences and authorisations required by it in connection with its ownership or use (as applicable) of each relevant Property and all such consents, licences and authorisations remain in full force and effect or, in the case of the Agora Max Portfolio Loan, has taken all consents, licences and authorisations to enable it to lawfully enter into, exercise its rights and comply with its obligations under the Finance Documents to which it is a party; and

(c) the Chargor has obtained all requisite environmental approvals required for the carrying on of its business as currently conducted or has complied with environmental laws and obtained all environmental consents required, in each case where failure to do so might reasonably be expected to have a material adverse effect.

Undertakings

Each Chargor has undertaken (to the extent applicable), among other things, and subject in limited cases to customary exceptions:

(a) not to create or permit any security interest over the assets of the Chargor secured by the relevant Security Agreement (other than any security interest created in connection with the Related Security);

(b) not to sell, transfer, license, lease or otherwise dispose of any asset secured under the relevant Security Agreement otherwise than in accordance with the relevant Credit Agreement;

(c) to comply with all provisions of any applicable laws, including environmental laws where failure to do so has or is reasonably likely to have a material adverse effect or materially impair the Chargor's ability to perform its obligations under the Finance Documents;

(d) (where relevant) to give notice of the security interests granted to the Security Agent to each Tenant under the Leases (in some cases such notices having been served on drawdown, in other cases, notices will be served only on default); and

(e) to procure and keep each of the Properties in good and substantial repair.

Enforceability

The Related Security will only be enforceable once a Loan Event of Default has occurred, if the Loan has been accelerated or in some cases if a Loan Event of Default is outstanding. The relevant Security Agreement confers upon the Security Agent, and any receiver appointed by it, a wide range of powers in connection with the sale or disposal of the Properties and their management, and each of them has been granted a power of attorney on behalf of the Chargor in connection with the enforcement of the Related Security.

The Loan Security

Each Chargor has granted the Related Security pursuant to the relevant Security Agreement. This security will, among other things, include (without limitation and subject in limited cases to customary exceptions):

(a) by way of first legal mortgage or charge over all freehold or leasehold property owned by it at the time of entering into the Security Agreement or, in the case of the property owners in respect of the Pitch 2 Portfolio Loan, over each of the Properties to which that Loan relates only, and (except in the Alba Gate Portfolio Loan) by way of first fixed charge, over all freehold or leasehold property subsequently owned by it;

(b) where applicable, by way of standard security over all and the whole of the Scottish Properties;

(c) where applicable by way of first fixed charge over its interest in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf;

(d) in the case of the Relevant Borrower under the Pitch 2 Portfolio Loan, to the extent the same relate to the Pitch 2 Portfolio Properties, by way of first fixed charge over all plant and machinery owned by it, credit balances and book and other debts and, in the case of the Nos 2 & 3 Portfolio Loan and the Gullwing Portfolio Loan, to the extent the same relate to the relevant Properties, by way of first fixed charge over all plant and machinery;

(e) either by way of first fixed charge or by way of assignment, over all of its rights in respect of its contracts or policies of insurance (in the case of the Relevant Borrower in respect of the Pitch 2 Portfolio Loan, in relation to the Properties to which the Loan relates) and over all of its rights under any Leases;

(f) where applicable, by way of assignment over all rights, title and interest in rent and all other monies due to become due in terms of the Leases of the Scottish Properties; and

(g) (other than in respect of the Pitch 2 Portfolio Loan, the Forster Hall Loan, the Wakefield Europort Loan and in the case of one of the property owners in respect of the Related Security in the case of the Agora Max Portfolio Loan) by way of floating charge, over all its assets not otherwise effectively mortgaged, charged or assigned under the relevant Security Agreement.

In the case of the Alba Gate Portfolio Loan, the borrower in respect of the Aberdeen Property is the Alba Gate Individual Borrower and accordingly the Related Security it gives is a standard security, assignation of rent and a charge over certain accounts.

The Wakefield Europort Loan is made to the Wakefield Europort Property Partnership, two partners of which are the Wakefield Europort Individual Borrowers. In respect of the Wakefield Europort Loan, recourse is limited to their partnership interests in the Related Security in respect of the Loan.

The Wakefield Europort Property Partnership provides security by way of an English legal mortgage in respect of the relevant Property, in effect an English floating charge over the Borrower Accounts and an Isle of Man law first fixed charge in respect of certain of the relevant Borrower Accounts including the Rent Account held in the Isle of Man at Barclays Private Clients International Limited.

If a Loan Event of Default is outstanding, the security granted under the relevant Security Agreement may become enforceable subject to any relevant notice periods. All rights or remedies provided for by the Security Agreement or available at law or in equity will be exercisable at such time by the Relevant Security Agent.

Each security agreement is governed by English law subject to certain exceptions if a Property or other accounts or assets are located in a jurisdiction other than England and Wales.

Subordination Agreements

The creditors of the Relevant Borrower who have entered into a Subordination Agreement (other than the Finance Parties) (in such capacity, the **Subordinated Creditors**) have in respect of each Loan (where applicable) entered into a Subordination Agreement with, among others, the Relevant Security Agent pursuant to which each Subordinated Creditor has undertaken that whilst any amount remains due and outstanding under, among other things, the relevant Credit Agreement, it shall not demand or receive payment of any Subordinated Debt (other than as permitted under the relevant Credit Agreement and the relevant Subordination Agreement) and if any payment is received by it in breach of the relevant Subordination Agreement, it shall hold such payment on trust for and pay it to the Security Agent.

Subordinated Debt means any indebtedness payable (and whether or not due) to a Subordinated Creditor other than in connection with the Finance Documents.

Intercreditor Agreements

The Adelphi Loans included in the Loan Pool represent the senior term loan facility of the Adelphi Whole Loan and a senior revolving loan of the Adelphi Whole Loan, originated by the Seller on 6 March 2007. The Criterion Loan comprised in the Loan Pool represents the senior tranche of the Criterion Whole Loan, originated by the Seller on, 12 December 2006. The Junior Adelphi Loan and the Junior Criterion Loan will on the Closing Date be retained by the Junior Lender and will not be sold to the Issuer or form part of the Loan Pool. The Seller, the Junior Lender and the Relevant Security Agent have entered, or will enter, into intercreditor agreements in respect of the Adelphi Whole Loan and the Criterion Whole Loan, (each an **Intercreditor Agreement** and together, the **Intercreditor Agreements**) pursuant to which the relationship and priority between the Seller (and, following the transfer of the Adelphi Loans and the Criterion Loan to the Issuer, the Issuer) and the Junior Lender is regulated.

The Junior Adelphi Loan and the Junior Criterion Loan, following material default, are subordinated in right of payment to the Adelphi Loans and the Criterion Loan such that payments by the Borrower in respect of the Junior Adelphi Loan and the Junior Criterion Loan respectively, are subject to the full payment of amounts due under the Adelphi Loans and the Criterion Loan, respectively.

The Junior Lenders are restricted (subject as stated below) by the terms of the Intercreditor Agreements from taking any enforcement steps in respect of the Junior Adelphi Loan or the Junior Criterion Loan prior to the discharge in full (other than any excess senior debt) of the Adelphi Loans and the Criterion Loan, as applicable (the **Senior Debt**). However, unless the senior lenders have already enforced the Related Security during a standstill period, the Junior Lender can direct the Issuer or the Relevant Servicer (acting as agent of the Security Agent) to seek to realise, or to seek to

procure the realisation of the Related Security in respect of the Adelphi Whole Loan or the Criterion Whole Loan as applicable, after a material event of default under the relevant Credit Agreement has occurred and is continuing or the debt is accelerated and in both cases, no control valuation event has occurred. In addition, in relation to the Junior Adelphi Loan, the Junior Lenders may exercise certain rights of enforcement in respect of a mortgage of shares granted by the shareholders over the shares in the Relevant Borrowers, although the Junior Lenders may not realise the value of those charged shares by selling them.

The Junior Lender has agreed that procedural, administrative and non-material amendments, waivers and consents in respect of the Adelphi Whole Loan and the Criterion Whole Loan, with the consent of the majority of the senior lenders respectively, may be taken by the Relevant Servicer (in such case as agent for the Security Agent), subject to several exceptions set out in the relevant Intercreditor Agreement in respect of which the consent of the Junior Lender must be obtained. Such exceptions include, amongst others:

(a) any amendment to the date of any amount due to a Lender;

(b) any change in the margin or any amount of interest, principal, fee or other amount due under the Finance Documents, or the effect of which is to make any obligor liable to make additional or increased payments;

(c) any change in currency of any amount due under the Finance Documents;

(d) any increase in, or extension of the commitment under the Credit Agreement;

(e) a change in the basis on which payment is calculated;

(f) a release of an Obligor or any Security other than in accordance with the Finance Documents;

(g) any change to the Lender assignment provisions; and

(h) any changes to the terms of the relevant Intercreditor Agreement or any security documents,

unless in each case the amendment or waiver is agreed by the Junior Lenders and the Issuer (acting through the Relevant Servicer) or constitutes a procedural or administrative change in the ordinary course of administering the relevant facility, and is not material.

In addition, the Junior Lender has the right (but not the obligation) to cure certain defaults under the Adelphi Whole Loan and the Criterion Whole Loan within a prescribed grace periodduring which, the Issuer and the Relevant Servicer (acting as agent of the Issuer or the Security Agent, as the case may be) are prohibited from taking certain action, including demanding payment, accelerating the Adelphi Whole Loan or the Criterion Whole Loan, as applicable, enforcing any security for the Adelphi Whole Loan or the Criterion Whole Loan, as applicable, taking any steps towards placing the Borrowers in insolvency proceedings, bringing any legal proceedings, exercising any right to require insurance proceeds to be applied in reinstatement of an asset subject to the Related Security or taking any other step for recovery of the Adelphi Whole Loan or the Criterion Whole Loan, as applicable.

The Junior Lender may, on the occurrence of a default which has resulted in the acceleration of the debt in respect of the Adelphi Loans or the Criterion Whole Loan, as applicable, or if an event of default is outstanding under the Junior Adelphi Loan or the Criterion Whole Loan subject, in certain cases to the value of the Property reaching a prescribed percentage of the Senior Adelphi Loan or the Criterion Loan, respectively and subject to the lapse of certain standstill periods, purchase or arrange for a third party to purchase the Senior Adelphi Loan or the Criterion Loan, as applicable, for a

consideration equal to such amount as the Relevant Servicer may determine to be an amount equal to amounts owing under the Senior Adelphi Loan or the Criterion Loan, as applicable.

Under the Intercreditor Agreements the initial Special Servicer will be Barclays Capital Mortgage Servicing Limited. The Junior Lenders under the Adelphi Loans and the Criterion Loan have the right to consult with the relevant Security Agent as to enforcement actions in relation to the relevant Loan. If the Senior Adelphi Loan and/or the Criterion Loan, as applicable, becomes a Specially Serviced Loan then, unless the value of the relevant Properties is less than an agreed upon percentage (a **Control Valuation Event**) of the then principal amount outstanding of the Senior Adelphi Loan or the Criterion Loan, respectively, the Junior Lender may (following consultation with the Issuer) require the Issuer to replace the initial Special Servicer with a replacement Special Servicer. The replacement Special Servicer may be proposed by the Junior Lender if the Rating Agencies have given written confirmation that the appointment of the replacement Special Servicer will not have an adverse effect on the ratings of the Notes. Any replacement Special Servicer must enter into new servicing arrangements on substantially the same terms as the Servicing Agreement, and any Issuer costs in connection with the replacement will be borne by the Junior Lender.

The Seller will novate its interest in the Adelphi Loans and the Criterion Loan to the Issuer under the Loan Sale Agreement and the Issuer will accede to the Intercreditor Agreements.

The Agora Max Intercreditor Agreement

The Agora Max Portfolio Loan represents a portion of the Agora Max Senior A Loan, originated by HBOS on 7 March 2006. The further senior tranches are held by the Agora Max Existing Senior A Lenders. In addition, there is a Senior B tranche and junior loans held by third party lenders, each also originated by HBOS on 7 March 2006. The portions of the Agora Max Senior A Loan held by the Agora Max Existing Senior A Lenders, the Agora Max Senior B Loan and the Agora Max Junior Loan will not be sold to the Issuer or form part of the Loan Pool. The Relevant Security Agent, the Agora Max Senior A Lenders, the Agora Max Senior B Lenders, the Agora Max Junior Lenders and the Agora Max Borrowers, amongst others, entered into an intercreditor agreement dated 7 March 2006 (the **Agora Max Intercreditor Agreement**) to which the Seller acceded on 10 August 2006 and to which the Issuer will have acceded on the Closing Date. The Agora Max Intercreditor Agreement regulates the relationship between the Lenders under the Agora Max Senior A Loan, the Agora Max Senior B Loan and the Agora Max Junior Loan.

The Agora Max Intercreditor Agreement provides that the Agora Max Senior A Debt ranks ahead of the Agora Max Senior B Debt and the Agora Max Junior Debt (the **Subordinated Debt**) in all respects. The Agora Max Intercreditor Agreement provides that if an insolvency event occurs, the Subordinated Debt and any inter-company debt between the Agora Max Borrowers will be subordinate in right of payment to the Agora Max Senior A Debt.

The Agora Max Intercreditor Agreement provides that if an event of default occurs under the Agora Max Senior A Loan, the Agora Max A Agent may (acting on the instructions of the Agora Max Senior A Majority Lenders) instruct the Relevant Security Agent to enforce the security documents. If an event of default occurs under the Agora Max Senior B Loan (a **B Event of Default**), the Agora Max B Agent (acting on the instructions of the Agora Max Senior B Majority Lenders) will notify the Agora Max A Agent and request that the Agora Max A Agent take instructions from the Agora Max Senior A Majority Lenders as to whether it is proposed to enforce the security conferred by the security documents. The Agora Max A Agent has ten days to notify the Agora Max B Agent. If the Agora Max A Agent notifies that it is not proposed to enforce the security documents and the B Event of Default continues un-remedied/un-waived for a period of 120 consecutive days, the Agora Max B Agent (acting on the instructions of the Agora Max Senior B Majority Lenders) shall be entitled to instruct the Relevant Security Agent to enforce the security documents.

The Agora Max Senior A Loan provides for many decisions to be made by the Agora Max Senior A Majority Lenders. It provides that majority lenders are those that hold more than 66⅔ per cent. The Seller acquired 33⅓ per cent. and would not therefore be able to force any decisions which require majority lender consent, it would however be in a position to veto any such decisions.

Agora Max A Agent means HBOS as agent for the Agora Max Senior A Lenders.

Agora Max B Agent means HBOS as agent for the Agora Max Senior B Lenders.

Agora Max Junior Debt means all financial indebtedness owing by either Agora Max Borrower to any Agora Max Junior Lender.

Agora Max Senior A Debt means all financial indebtedness owing by either Agora Max Borrower to any Agora Max Senior A Finance Party under an Agora Max Senior A Finance Document including hedging relating thereto.

Agora Max Senior A Finance Document means a finance document relating to the Agora Max Senior A Loan.

Agora Max Senior A Finance Party means the Agora Max A Agent, the Relevant Security Agent, any hedging counterparty and each Agora Max Senior A Lender.

Agora Max Senior A Lenders means the lenders in respect of any Agora Max Senior A Finance Document.

Agora Max Senior B Lenders means the lenders in respect of any Agora Max Senior B Debt.

Agora Max Senior A Majority Lender means the Agora Max Senior A Lenders who hold more than 66 ⅔ per cent.

Agora Max Senior B Debt means all financial indebtedness owing by either Agora Max Borrower to any Agora Max Senior B Finance Party under an Agora Max Senior B Finance Document including hedging relating thereto.

Agora Max Senior B Majority Lender means the Agora Max Senior B Lenders who hold more than 66 ⅔ per cent.

DESCRIPTION OF THE LOANS AND RELATED PROPERTIES

Adelphi

Loan Information	
Cut-Off Date Securitised Principal Balance (£)[12]:	215,622,248
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool[12]:	24.1%
Maturity Securitised Principal Balance (£):	215,622,248
A/B Structure:	Yes
Cut-Off Date B Loan Balance (£):	38,325,401
Loan Interest Payment Dates:	The 17th of each January, April, July and October commencing on 17 April 2007
Loan Purpose:	Acquisition
Interest Rate:	Floating
All-in Securitised Interest Rate:	5.89%
Origination Date:	15 February 2007
Maturity Date:	17 October 2011
Borrower:	Gefica Industries Aktiengesellschaft
Sponsor Name:	Istithmar Building FZE
Interest Calculation:	ACT/365
Amortisation:	Bullet
Up-Front Reserves (£):	N/A
Cut-Off Date Securitised LTV:	66.3%
Maturity Securitised LTV:	66.3%
Cut-Off Date Securitised ICR:	1.21x
Cut-Off Date Securitised DSCR:	1.21x

Property Information	
Number of Properties:	1
Number of Tenants:	13
Property Type:	Office
Location:	London
Address:	1 – 11 John Adam Street
Property Tenure:	Freehold
Property Management:	Knight Frank
Net Rent (£):	15,358,863
Net ERV (£):	15,597,765
Cost Assumptions:	0.3%
Market Value (£):	325,000,000
Vacant Possession Value (£):	218,150,000
Valuation Date:	16 January 2007
Valuer:	Savills

[12] Assumes that the Adelphi Revolver Loan is fully drawn as of the Cut-Off Date.

The Loan

The Loans (the **Adelphi Loans**) were originated by the Seller on 6 March 2007 and are primarily secured by a first priority legal mortgage encumbering freehold title interests in Adelphi, 1-11, John Adam Street, London WC2N 6HT (the **Adelphi Property**).

The Relevant Borrower

The Borrower under the Adelphi Loans is a special purpose entity incorporated in the Principality of Liechtenstein on 16 August 1988 pursuant to the Liechtenstein Persons and Companies Act 1926 with registered number FL-0001-109.264-8 as a private company limited by shares (the **Adelphi Borrower**). The share capital of the Adelphi Borrower consists of 1,000 bearer shares of CHF 50 each. The registered office of the Adelphi Borrower is at Landstrasse 99, FL-9494, Schaan, Liechtenstein and its contact telephone number is + FAX: +423 232 0066.

The principal activity of the Adelphi Borrower is to act as a property investment company. The entire issued share capital of the Adelphi Borrower is owned by Istithmar Building FZE, a wholly owned subsidiary of Istithmar World LLC.

The principal officers of the Adelphi Borrower are as follows:

Name	Address	Function
Richard Johnson	1-11 (odd) John Adam Street, London WC2N 6HT	Director
Keith Levers	1-11 (odd) John Adam Street, London WC2N 6HT	Director
Peter Jodlowski	1-11 (odd) John Adam Street, London WC2N 6HT	Director
Dr. Heinz Jürgen Frommelt	1-11 (odd) John Adam Street, London WC2N 6HT	Director

The Issuer is not aware of any conflicts between the duties of the principal officers to the Adelphi Borrower and any of their respective private interests. The Adelphi Borrower is not, and has not been, involved in any legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Adelphi Borrower is aware) which may have, or have had, since 16 August 1988, a significant effect on the Adelphi Borrower's financial position.

There are no measures in place to ensure that the direct and indirect control of Istihmar Building FZE and Istithmar PJSC in the Adelphi Borrower is not abused.

Property management

The Adelphi Property is managed by Knight Frank LLP (the **Adelphi Property Manager**) on behalf of the Adelphi Borrower pursuant to a management agreement dated 29 March 1996 (the **Adelphi Management Agreement**).

Under the terms of the Adelphi Loans, the Adelphi Borrower may not appoint any property manager without the prior consent of the Lender. In addition, if the Adelphi Property Manager is in default of its obligations under the Adelphi Management Agreement and as a consequence the Adelphi Borrower is entitled to terminate the relevant agreement, the Lender can require the Adelphi Borrower to use all reasonable endeavours to terminate the relevant management agreement and appoint a new manager whose identity and terms of appointment are acceptable to the Lender.

Subordinated debt

There is a subordination agreement in relation to any present or future liability (actual or contingent) payable or owing by the Adelphi Borrower to the lenders under or in connection with any document evidencing debt between the Borrower and the lenders.

The Adelphi Loans represent a senior term loan facility (the **Adelphi Senior Loan**) and a revolving rent liquidity facility to be used to make payments to top-up shortfalls in the rent account under both the Adelphi Senior Loan and the Junior Adelphi Loan (as defined below) (the **Adelphi Revolver Loan** and, together with the Adelphi Senior Loan, the **Adelphi Loans**). Both facilities under the Adelphi Loans have been separated from a Junior loan facility (the **Junior Adelphi Loan**). The Junior Adelphi Loan, the Adelphi Revolver Loan and the Adelphi Senior Loan are together referred to as the **Adelphi Whole Loan**. The facilities under the Adelphi Loans and the Junior Adelphi Loan are made to the Adelphi Borrower and are secured on the same Properties and other related Loan Security. The maximum commitment under the Adelphi Revolver Loan, which will rank senior to the Adelphi Senior Loan is £1,000,000. The Adelphi Revolver Loan may only be drawn four times during its lifetime and may not be drawn on two consecutive Loan Interest Payment Dates. The facility in respect of the Adelphi Revolver Loan will be cancelled once all four drawings have been made. On the Closing Date both the Adelphi Senior Loan and the Adelphi Revolver Loan will be acquired by the Issuer and included in the Loan Pool. Payments due under the Adelphi Revolver Loan are required to be paid before any payments under the Adelphi Senior Loan or the Junior Adelphi Loan.

The Seller and the Junior Lender will enter into an intercreditor agreement (the **Adelphi Intercreditor Agreement**) pursuant to which the relationship between the Senior Lenders and the Junior Lenders is regulated. In the event that there is a conflict of interest between the Intercreditor Agreement and any other Finance Document, the Intercreditor Agreement will prevail. For more information on the Adelphi Intercreditor Agreement see *The Loans and the Loan Security – Intercreditor Agreements* above.

Security package

The security under the Adelphi Loans comprises:

(a) a first ranking legal mortgage encumbering the title to the Adelphi Property;

(b) a first ranking fixed charge over the assets of the Adelphi Borrower which relate to the Property;

(c) first ranking fixed charges over certain other asset;

(d) pledges over the bank accounts which relate to the Property; and

(e) a pledge of shares over the Adelphi Borrower.

Description of Tenants

There are 13 tenants occupying a number of tenancies. The rents are subject to upward only rent reviews. The Property is maintained and insured by the Adelphi Property Manager in its capacity as managing agent. All lease payments made by the 13 tenants are inclusive of insurance and service charges.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
The Secretary of State	6,951,296	45.3%	7,104,396	164,960	AAA/Aaa/AAA	6.3 yrs
Hess Limited	2,503,474	16.3%	2,571,424	50,139	BBB-/Baa3/BBB-[(1)]	8.0 yrs
Comverse Kenan UK	1,917,148	12.5%	1,961,175	38,128	-	8.0 yrs
Franklin Templeton Global Investors Limited	1,192,073	7.8%	1,186,922	22,749	-	8.1 yrs
The Gallup Organisation Limited	844,212	5.5%	848,323	16,146	-	9.1 yrs
Total (Top 5)	**13,408,202**	**87.3%**	**13,672,241**	**292,122**		

[(1)] Guarantor rating – Hess Corp.

Financial Accounts

The Adelphi Borrower has appointed Horwath Revision AG, a member of Horwath International acting through its office at Brandschenkestrasse 60, Postfach, CH-8039 Zurich, Switzerland as auditors of its financial accounts in respect of each of the year ending 31 March 2005 and the year ending 31 March 2006. Horwath Revision AG is a member of the Swiss Institute of Certified Accountants and Tax Consultants.

A copy of the independently audited financial accounts of the Adelphi Borrower and the audit report in respect of each of the year ending 31 March 2005 and the year ending 31 March 2006 are set out in Appendix 1. The Issuer is not aware of any significant change in the financial or trading position of the Borrower which has occurred since the end of the last financial period ending on 31 March 2006.

Financial Covenants

The relevant Credit Agreement provides for the following financial covenants:

(a) the Loan to Value (which includes the "mark to market" of the Adelphi Loan Hedging Arrangements to the extent it is against the Adelphi Borrower) is required to be no greater than 80 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement; and

(b) the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Loan Hedging Arrangements

In addition to the circumstances set out in *The Loans and the Loan Security – Hedging Obligations*, the Loan Hedging Arrangements in respect of the Senior Adelphi Loan may be terminated by the Borrower and/or the Loan Hedge Counterparty on the occurrence of:

(a) the Relevant Security Agent giving notice to the Borrower to accelerate the Senior Adelphi Loan or taking any steps to enforce the security created under any of the security documents, after serving the aforementioned notice, which permits only the Loan Hedge Counterparty to terminate;

(b) there occurs an event of default (as specified under the Loan Hedging Arrangements), except for those falling under the headings of *Breach of Agreement, Credit Support Default, Misrepresentation, Default under Specified Transaction* and *Merger without Assumption,* under which only the Borrower may terminate;

(c) the notional amount of the Loan Hedging Arrangements exceeding, or will exceed as a result of prepayment or repayment in accordance with the Credit Agreement, 100 per cent. of the amount of the Senior Adelphi Loan, which permits only the Loan Hedge Counterparty to terminate with respect of such prepayment or repayment;

(d) a credit event upon merger (as specified under the Loan Hedging Arrangements), which permits only the Borrower to terminate; or

(e) the Relevant Security Agent making such a request as a result of a rating downgrade occurring with respect to the Loan Hedge Counterparty, where the Loan Hedge Counterparty failed to comply with the provisions of the Relevant Loan Hedging Arrangements regarding such credit downgrade events.

Escrow Account

In respect of the Adelphi Senior Loan, where the senior/junior interest cover ratio is equal to or less than 103 per cent., the Adelphi Borrower will be required to deposit any surplus standing to the credit of the Rent Account in an escrow account (the **Amortisation Escrow Account**). On any Interest Payment Date, the Security Agent may transfer into the Rent Account an amount which has been deposited in the Amortisation Escrow Account sufficient to pay the amounts due:

(a) in relation to fees, costs and expenses of the Security Agent due but unpaid under the Finance Documents;

(b) in or towards payments due but unpaid under the Adelphi Revolver Loan or to the Hedging Counterparty; or

(c) in relation to payment of accrued interest, fees and other amounts (but not principal) due but unpaid under the Finance Documents.

Criterion

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	126,000,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	14.1%
Maturity Securitised Principal Balance (£):	120,679,000
A/B Structure:	Yes
Cut-Off Date B Loan Balance (£):	19,000,000
Loan Interest Payment Dates:	The 17th of each January, April, July and October commencing on 17 April 2007
Loan Purpose:	Acquisition or Refinance
Interest Rate:	Floating
All-in Securitised Interest Rate:	5.32%
Origination Date:	12 December 2006
Maturity Date:	17 July 2015
Borrower:	Buckingham Estate Ltd & Calldale Ltd & Criterion Property Ltd
Sponsor Name:	Criterion Capital
Interest Calculation:	ACT/365
Amortisation:	See below
Up-Front Reserves (£):	6,731,182
Cut-Off Date Securitised LTV:	70.0%
Maturity Securitised LTV:	67.0%
Cut-Off Date Securitised ICR:	1.28x
Cut-Off Date Securitised DSCR:	1.18x

Property Information	
Number of Properties:	1
Number of Tenants:	6
Property Type:	Office
Location:	London
Address:	1-11 Jermyn Street, 24-36 Regent Street, 218-229 Piccadilly & 39-45 Haymarket
Property Tenure:	Leasehold
Property Management:	Hammond Phillips Ltd
Net Rent (£):	8,572,267
Net ERV (£):	8,813,157
Cost Assumptions:	12.9%
Market Value (£):	180,000,000
Vacant Possession Value (£):	186,500,000
Valuation Date:	12 December 2006
Valuer:	Colliers CRE

Amortisation (£)	
17/04/2007	137,000
17/07/2007	161,000
17/10/2007	141,000
17/01/2008	143,000
17/04/2008	166,000
17/07/2008	169,000
17/10/2008	127,000
17/01/2009	129,000
17/04/2009	173,000
17/07/2009	154,000
17/10/2009	135,000
17/01/2010	137,000
17/04/2010	181,000
17/07/2010	162,000
17/10/2010	143,000
17/01/2011	145,000
17/04/2011	189,000
17/07/2011	171,000
17/10/2011	152,000
17/01/2012	154,000
17/04/2012	177,000
17/07/2012	179,000
17/10/2012	160,000
17/01/2013	163,000
17/04/2013	207,000
17/07/2013	159,000
17/10/2013	151,000
17/01/2014	153,000
17/04/2014	197,000
17/07/2014	178,000
17/10/2014	160,000
17/01/2015	162,000
17/04/2015	206,000

The Loan

The Loan (the **Criterion Loan**) was originated by the Lender on 12 December 2006 and is primarily secured by a first legal mortgage in The Criterion Building, 218-229 Piccadilly, 39-45 Haymarket, 1 11 Jermyn Street and 24-36 Regent Street, London SW1 comprising three leases together (the **Criterion Property**).

The Relevant Borrower

The Borrower under the Criterion Loan is Buckingham Estates Limited a special purpose entity incorporated in the Isle of Man on 3 May 2002, registered number 105740 (**Buckingham**), Calldale Limited a special purpose entity incorporated in the Isle of Man on 26 March 2001 with registered number 102418C (Calldale) and Criterion Property Limited a special purpose entity incorporated in the Isle of Man on 28 July 2005 with registered number 114073C (**Criterion**) (the **Criterion**

Borrowers). The obligations and liabilities of the Criterion Borrowers under the Finance Documents are joint and several.

The registered office of the Criterion Borrowers is at 71 Circular Road, Douglas, The Isle of Man.

The principal activity of the Criterion Borrowers is to act as trustee and hold on trust for the Security Agent any distribution, payment or benefit of the security.

Property management

The Criterion Property is managed by Hammond Phillips Limited (the **Criterion Property Manager**) on behalf of the Criterion Borrowers pursuant to a management agreement dated 28 March 2006 (the **Criterion Management Agreement**). A duty of care agreement was a condition subsequent to the Criterion Loan.

Under the terms of the Criterion Loan, the Criterion Borrowers may not appoint any property manager without the prior consent of the Security Agent. In addition, if the Criterion Property Manager is in default of its obligations under the Criterion Management Agreement and as a consequence the Criterion Borrowers are entitled to terminate the relevant agreement, the Security Agent can require the Criterion Borrowers to use all reasonable endeavours to terminate the relevant management agreement and appoint a new manager whose identity and terms of appointment are acceptable to the Security Agent.

Subordinated Debt

The Criterion Borrowers are not permitted to have any other financial indebtedness other than subordinated shareholder debt. There are subordinated shareholder loans between the Criterion Borrowers and each of Golfrate Holdings Limited and Act Finance Limited (the **Subordinated Creditors**) and Barclays Capital Mortgage Servicing Limited (as the **Relevant Security Agent**) which are subject to a Subordination Agreement.

The Criterion Loan represents the senior tranche of a whole loan (the **Criterion Whole Loan**, and, together with the Adelphi Whole Loan, the **Whole Loans**). The Criterion Whole Loan also has a junior tranche (the **Junior Criterion Loan**, and, together with the Junior Adelphi Loan, the **Junior Loans**). The Junior Loans will not be acquired by the Issuer on the Closing Date but will instead be retained by the Seller or acquired by one or more third party investors (the **Junior Lenders** and each a **Junior Lender**).

The Seller and the Junior Lender will enter into an intercreditor agreement (the **Criterion Intercreditor Agreement**) pursuant to which the relationship between the Senior Lenders and the Junior Lenders is regulated. In the event that there is a conflict of interest between the Intercreditor Agreement and any other Finance Document, the Intercreditor Agreement will prevail. For more information on the Criterion Intercreditor Agreement see *The Loans and the Loan Security – Intercreditor Agreements* above.

Security package

The security under the Criterion Loan comprises:

(a) a first ranking legal mortgage encumbering the freehold and leasehold title to the Criterion Property;

(b) a first fixed charge over all estates or interests in any freehold or leasehold property now or subsequently owned by the Criterion Borrowers;

(c) a first fixed charge over certain other interests and rights;

(d) a first fixed charge over the assets of the Criterion Borrowers which relate to the Property;

(e) a first fixed charge over certain other assets of the Criterion Borrowers including nominated bank accounts, book and other debts; and

(f) an assignment of rights under certain agreements, rental income and insurances.

Description of Tenants

The Borrower's main interest in the Property is a headlease held under a long leasehold interest from The Crown Estate Commissioners with two further lease and licence obligations with London Underground. In March 2006, the Borrower acquired a superior head leasehold interest which sits above the aforementioned Crown Estate interest and which is a lease for a term of 130 years and three days from 9 March 1989.

The Property is subject to five occupational lettings occupying the property for a variety of mixed uses including office, retail, theatre and restaurant purposes. Most of the rents are subject to upward only rent reviews however, some leases have fixed uplift rent only. The Property is maintained and insured by the Criterion Property Manager in its capacity as managing agent. All lease payments made by the five main office tenants are not necessarily inclusive of insurance and service charges.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
McKinsey & Company Inc. United Kingdom	5,400,000	63.0%	6,164,000	117,942	-	11.6 yrs
Virgin Retail Limited	1,550,184	18.1%	1,550,000	21,912	-	10.0 yrs
Lillywhites Limited	582,500	6.8%	1,500,000	65,347	-	109.9 yrs
OTA Resources Development Co (UK) Ltd	275,000	3.2%	480,000	6,464	-	110.1 yrs
The Criterion Theatre Trust	125,000	1.5%	125,000	37,522	-	10.4 yrs
Total (Top 5)	**7,932,684**	**92.5%**	**9,819,000**	**249,187**		

Financial Covenants

The relevant Credit Agreement provides for the following financial covenants:

(a) the Loan to Value (which includes the "mark to market" of the Criterion Loan Hedging Arrangements to the extent it is against the Criterion Borrower) is required to be no greater than 90 per cent. up to and including 16 April 2012. From 17 April 2012 the Loan to Value is required to be no less than 85 per cent. until the Final Maturity Date of the Criterion Loan. Breach of this requirement constitutes an event of default under the relevant Credit Agreement; and

(b) the Interest Cover is required to be no less than 105 per cent. up to and including 17 October 2011. From 18 October 2011 Interest Cover is required to be no less than 108 per cent. until

the Final Maturity Date of the Criterion Loan. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Loan Hedging Arrangements

In addition to the circumstances set out in *The Loans and the Loan Security – Hedging Obligations*, the Loan Hedging Arrangements in respect of the Criterion Loan may be terminated by the Borrower and/or the Loan Hedge Counterparty on the occurrence of:

(a) the Relevant Security Agent giving notice to the Borrower to accelerate the Criterion Loan or taking any steps to enforce the security created under any of the security documents, after serving the aforementioned notice, which permits only the Loan Hedge Counterparty to terminate;

(b) there occurs an event of default (as specified under the Loan Hedging Arrangements), except for those falling under the headings of *Breach of Agreement*, *Credit Support Default*, *Misrepresentation*, *Default under Specified Transaction*, *Bankruptcy* and *Merger without Assumption, under which the Loan Hedge Counterparty may not terminate*;

(c) an additional termination event (as specified under the Loan Hedging Arrangements) falling under the heading *Withholding Tax Event*;

(d) substitute Loan Hedging Arrangements in accordance with the terms of the Loan Hedging Arrangements and the Credit Agreement, entered into by the Borrower pursuant to agreement with the Loan Hedge Counterparty, which permits only the Borrower to terminate;

(e) a termination or closing out by the Borrower with the prior consent of the Relevant Security Agent;

(f) a credit event upon merger (as specified under the Loan Hedging Arrangements), which permits only the Borrower to terminate; or

(g) the Relevant Security Agent making such a request as a result of a rating downgrade occurring with respect to the Loan Hedge Counterparty, where the Loan Hedge Counterparty failed to comply with the provisions of the Loan Hedging Arrangements regarding such credit downgrade events.

Escrow Account

In respect of the Criterion Loan, the Criterion Borrowers have deposited £6,336,607.07 into an escrow account to pay for the difference between amounts actually paid under the McKinsey lease and an amount that would have been paid had there been an uplift in the rent payable under such lease, up to a pre-determined level. In addition, a sum of £393,750 has been paid into that escrow account to be held until the rent payable under the Virgin lease is increased to cover such escrow amount (which is expected to occur upon assignment of the lease to HSBC).

The Cut-Off Date balance of the escrow accounts is £6,731,182.33.

G-res 1 Portfolio

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	125,000,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	14.0%
Maturity Securitised Principal Balance (£):	125,000,000
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 17th of each January, April, July and October commencing on 17 January 2007
Loan Purpose:	Refinance
Interest Rate:	Floating
All-in Securitised Interest Rate:	5.71%
Origination Date:	15 November 2006
Maturity Date:	17 January 2014
Borrower:	G:res-co2 Ltd
Sponsor Name:	Grainger Trust plc
Interest Calculation:	ACT/365
Amortisation:	Bullet
Up-Front Reserves (£):	N/A
Cut-Off Date Securitised LTV:	59.5%
Maturity Securitised LTV:	59.5%
Cut-Off Date Securitised ICR:	1.15x
Cut-Off Date Securitised DSCR:	1.15x

Property Information	
Number of Properties:	38
Number of Tenants:	1,311 (1,475 units)[13]
Property Type:	Residential
Location:	Various
Address:	Throughout England
Property Tenure:	Freehold/Leasehold
Property Management:	Grainger Residential Management Ltd
Net Rent (£):	8,181,981
Net ERV (£):	9,078,688
Cost Assumptions:	21.5%
Market Value (£):	210,019,010
Vacant Possession Value (£):	237,254,710
Valuation Date:	30 September 2006
Valuer:	DTZ

[13] Portfolio composition as a percentage of passing rent: AST 70%, Assured Tenancies 4%, Regulated 5%, Commercial 11%, Corporate lets 10% and Ground Rent 0%.

The Loan

The G-res 1 Portfolio Loan (the **G-res 1 Portfolio Loan**) was originated by the Seller on 15 November 2006 and is primarily secured by a first priority legal mortgage encumbering freehold title and leasehold title interests (or a combination thereof) in properties located in England (the **G-res 1 Portfolio Properties**).

The Relevant Borrower

The Borrower under the G-res 1 Portfolio Loan is G:res-co2 Limited, a company incorporated in Jersey with registered number 94684 whose registered office is at 47 Esplanade, St Helier, Jersey JE1 0BD (the **G-res 1 Borrower**).

Property management

The G-res 1 Portfolio Properties are managed by Grainger Asset Management Limited as Property Adviser (the **G-res 1 Portfolio Property Adviser**) and Grainger Residential Management Limited as Day to Day Manager (the **G-res 1 Portfolio Day to Day Manager**) on behalf of Dominion Corporate Trustees Limited and Dominion Trust Limited in their capacities as trustees (the **Trustees**) of the Grainger Residential Property Unit Trust pursuant to a management agreement dated 15 November 2006 (the **G-res 1 Portfolio Management Agreement**). In addition a duty of care agreement has been entered into between the G-res 1 Portfolio Day to Day Manager, the Trustees and the Relevant Security Agent (the **G-res 1 Portfolio Duty of Care Agreement**).

If the G-res 1 Portfolio Day to Day Manager is in default of its obligations under the G-res 1 Portfolio Duty of Care Agreement, the Relevant Security Agent is entitled to terminate the G-res 1 Portfolio Management Agreement and require the Trustees to appoint a new managing agent on terms approved by the Relevant Security Agent and to enter into a duty of care agreement.

Other debt

The G-res 1 Borrower has entered into a separate revolving facility (the **G-res 1 Revolving Facility**) with a revolving facility provider (the **G-res 1 Revolving Facility Provider**). Pursuant to the terms of an intercreditor agreement (the **G-res 1 Portfolio Intercreditor Agreement**), all monies received in respect of any realisation or enforcement of any of the G-res 1 Portfolio Term Preferred Assets shall be applied in or towards the discharge of amounts due in respect of the G-res 1 Portfolio Term Loan, second the G-res 1 Portfolio Revolver Loan and third in payment to the person or persons next entitled thereto. Similarly all monies received in respect of any realisation or enforcement of any of the G-res 1 Portfolio Revolver Preferred Assets will be applied in or towards the discharge of the G-res 1 Portfolio Loan, secondly the G-res 1 Portfolio Term Loan and thirdly in payment to the person or persons next entitled thereto.

Any monies received in respect of any realisation or enforcement of any security in respect of the G-res 1 Portfolio Term Loan or the G-res 1 Portfolio Revolver Loan, other than the G-res 1 Portfolio Preferred Assets and the G-res 1 Portfolio Revolver Assets shall be applied *pro rata* in proportion to amounts due in respect of the G-res 1 Portfolio Term Loan and the G-res 1 Portfolio Revolver Loan.

G-res 1 Portfolio Revolver Preferred Assets means the assets belonging to the trustee and Grainger Trust Plc set out in the G-res 1 Portfolio Intercreditor Agreement and will include any property financed by the G-res 1 Portfolio Revolver Loan and any rental income arising in respect of such properties.

G-res 1 Portfolio Term Preferred Assets means the assets belonging to the trustees and Grainger Trust Plc specified the G-res 1 Portfolio Intercreditor Agreement and will include the 38 residential properties located throughout England and all amounts, including rental income, arising in respect of such properties.

A default or acceleration under the G-res 1 Portfolio Revolver Loan will not result in a cross-default or cross-acceleration in respect of the G-res 1 Portfolio Term Loan or vice versa, other than upon the insolvency of a Chargor, in which case the Relevant Security Agent in respect of the G-res 1 Portfolio Loan and the G-res 1 Revolving Facility, as applicable, may seek to enforce the G-res 1 Portfolio Revolver Preferred Assets and the G-res 1 Portfolio Term Preferred Assets, respectively, but only with the prior written consent of the other.

The G-res 1 Borrower has entered into a put and call arrangement with a third party seller (the **Third Party Seller**) on behalf of one of its affiliates (the **G-res 1 Affiliate**) in respect of the sale and purchase of an additional property portfolio. The G-res 1 Borrower has exercised the relevant call option and completion of that transaction is scheduled to occur on 30 March 2007. The properties will be transferred by the Third Party Seller directly to the G-res 1 Affiliate.

Security package

The security under the G-res 1 Portfolio Loan comprises:

(a) a first ranking legal mortgage encumbering the title to the G-res 1 Portfolio Properties;

(b) a first ranking fixed charge over certain assets;

(c) an assignment of rights under certain agreements; and

(d) a mortgage of shares in the G-res 1 Borrower and G-res 1 Portfolio Unitholder[14]

Description of Properties

There are 1,311 tenants.

Top 5 Properties					
Top 5 Properties	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**
Bethnal Green	759,977	9.3%	960,559	81,812	-
Streatham Estate	708,366	8.7%	781,180	N/A	-
Ashford	524,181	6.4%	551,695	6,116	-
Shillington Old School	446,616	5.5%	484,813	28,159	-
Horsham	408,691	5.0%	448,562	18,185	-
Total (Top 5)	**2,847,831**	**34.8%**	**3,226,808**	**134,272**	

Financial Covenants

The relevant Credit Agreement provides for the following financial covenants:

(a) the Loan to Value is required to be no greater than 75 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement; and

[14] G:res-co3 Limited.

(b) the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Loan Hedging Arrangements

In addition to the circumstances set out in *The Loans and the Loan Security – Hedging Obligations*, the Loan Hedging Arrangements in respect of the G-res 1 Portfolio Loan may be terminated by the Borrower and/or the Loan Hedge Counterparty on the occurrence of:

(a) the Relevant Security Agent giving notice to the Borrower to accelerate the G-res 1 Portfolio Loan or taking any steps to enforce the security created under any of the security documents, after serving the aforementioned notice, which permits only the Loan Hedge Counterparty to terminate;

(b) the notional amount of the Loan Hedging Arrangements exceeding, or will exceed as a result of prepayment or repayment in accordance with the Credit Agreement, 100 per cent. of the amount of the G-res 1 Portfolio Loan, which permits only the Loan Hedge Counterparty to terminate with respect of such prepayment or repayment; or

(c) substitute Loan Hedging Arrangements in accordance with the terms of the Loan Hedging Arrangements, entered into by the Borrower with the prior written consent of the facility agent, which permits only the Loan Hedge Counterparty to terminate.

Nos 2 & 3 Portfolio

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	95,606,455
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	10.7%
Maturity Securitised Principal Balance (£):	88,606,455
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 16th of each January, April, July and October commencing on 16 April 2007
Loan Purpose:	Refinance
Interest Rate:	Fixed
All-in Securitised Interest Rate:	5.97%
Origination Date:	17 January 2007
Maturity Date:	16 January 2017
Borrower:	Nos 2 Ltd and Nos 3 Ltd
Sponsor Name:	Leading UK development company
Interest Calculation:	ACT/365
Amortisation:	See below
Up-Front Reserves (£):	800,000
Cut-Off Date Securitised LTV:	82.9%
Maturity Securitised LTV:	76.8%
Cut-Off Date Securitised ICR:	1.38x
Cut-Off Date Securitised DSCR:	1.38x

Property Information	
Number of Properties:	244
Number of Tenants:	657
Property Type:	Mixed
Location:	Various
Address:	Various
Property Tenure:	189 Freehold, 50 Leasehold, 5 Freehold/Leasehold
Property Management:	Alder King LLP, Kensingtons LLP & Dunlop Haywards Ltd, Jordans Residential Lettings Ltd.
Net Rent (£):	7,855,191
Net ERV (£):	8,324,328
Cost Assumptions:	0.7%
Market Value (£):	115,381,350
Vacant Possession Value (£):	99,058,250
Valuation Date:	2005 and 2006
Valuer:	Allsop, Aitchison Rafferty Ltd, Bidwells, Edward Symmons & Partners

Amortisation (£)	
16/04/2008	200,000
16/07/2008	200,000
16/10/2008	200,000
16/01/2009	200,000
16/04/2009	200,000
16/07/2009	200,000
16/10/2009	200,000
16/01/2010	200,000
16/04/2010	200,000
16/07/2010	200,000
16/10/2010	200,000
16/01/2011	200,000
16/04/2011	200,000
16/07/2011	200,000
16/10/2011	200,000
16/01/2012	200,000
16/04/2012	200,000
16/07/2012	200,000
16/10/2012	200,000
16/01/2013	200,000
16/04/2013	200,000
16/07/2013	200,000
16/10/2013	200,000
16/01/2014	200,000
16/04/2014	200,000
16/07/2014	200,000
16/10/2014	200,000
16/01/2015	200,000
16/04/2015	200,000
16/07/2015	200,000
16/10/2015	200,000
16/01/2016	200,000
16/04/2016	200,000
16/07/2016	200,000
16/10/2016	200,000

The Loan

The Nos 2 & 3 Portfolio Loan (the **Nos 2 & 3 Portfolio Loan**) was originated by the Seller on 17 January 2007 and is primarily secured by a first priority legal mortgage or standard security over the freehold and leasehold title interests in properties located in England and Wales and Scotland (the **Nos 2 & 3 Properties**). The Related Security also benefits from a charge of the shares in the Nos 2 & 3 Borrowers (as defined below) as well as full fixed and floating security over the assets of the Nos 2 & 3 Borrowers.

The Relevant Borrower

The Borrowers under the Nos 2 & 3 Portfolio Loan are the special purpose entities incorporated in England and Wales (the **Nos 2 & 3 Borrowers**). Nos 2 Limited was incorporated on 11 April 2005 with registered number 05419208 and Nos 3 Limited was incorporated on 7 February 2006 with registered number 05700580 as limited liability companies whose registered office is at 4th Floor, 11 Hanover Street, London W15 1YQ.

The principal activity of the Nos 2 & 3 Borrowers is to act as property investment companies.

Property management

The Nos 2 & 3 Properties are managed by Alder King LLP, Jordans Residential Lettings Limited, Dunlop Haywards Limited and Keningtons LLP (the **Nos 2 & 3 Properties Managers**) on behalf of the Nos 2 & 3 Borrowers pursuant to the relevant management agreements (the **Nos 2 & 3 Management Agreements**).

Under the terms of the Nos 2 & 3 Portfolio Loan, the Nos 2 & 3 Borrowers may not appoint any property manager without the prior consent of the Lender. In addition, if the Nos 2 & 3 Properties Managers are in default of their obligations under the Nos 2 & 3 Management Agreements and as a consequence the Nos 2 & 3 Borrowers are entitled to terminate the relevant agreements, the Lender can require the Nos 2 & 3 Borrowers to use all reasonable endeavours to terminate the relevant management agreements and appoint new managers whose identity and terms of appointment are acceptable to the Lender.

Subordinated debt

On 17 January 2007, Barclays Capital Mortgage Servicing Limited, the Nos Affiliate and Nos 2 Limited entered into a deed of priorities (the **Deed of Priorities**) relating to (i) the floating charge between the Nos Affiliate and Nos 2 Limited dated 13 April 2005; (ii) the guarantee given by Nos 2 Limited and Nos Limited to secure the liabilities of the Nos Shareholder to the Nos Affiliate as a lender under the loan agreement dated 13 April 2005 (the **Nos Guarantee**); and (iii) the debenture over the property, assets and undertaking of Nos 2 Limited dated 17 January 2007. Pursuant to the Deed of Priorities, the debt to the Finance Parties under the Nos 2 & 3 Portfolio Loan is to be discharged in priority to the debt to the Nos Affiliate as a lender under the loan agreement dated 13 April 2005.

On 17 January 2007, Barclays Capital Mortgage Servicing Limited and the Nos Shareholder entered into a subordination agreement relating to the Nos Guarantee (the **Guarantee Subordination Agreement**). According to the Guarantee Subordination Agreement, the debt to the Nos Affiliate under the Nos Guarantee is subordinated to the debt to the Finance Parties under the Nos 2 & 3 Portfolio Loan.

On 17 January 2007, Barclays Capital Mortgage Servicing Limited and the Nos Affiliate entered into a subordination agreement pursuant to which any debt of the Nos 2 & 3 Borrowers to the Nos Shareholder is subordinated to their debt to the Finance Parties under the Nos 2 & 3 Portfolio Loan.

Security package

The security under the Nos 2 & 3 Portfolio Loan comprises:

(a) a first ranking legal mortgage encumbering all estates and interests in the Nos 2 & 3 Properties located in England and Wales;

(b) a first ranking fixed charge and floating charge over the assets of the Nos 2 & 3 Borrowers;

(c) an assignment of rights under certain agreements, including its interest in rental income and insurances;

(d) a charge of shares owned by the sole shareholder of the Nos 2 & 3 Borrowers; and

(e) first ranking standard security and an assignation of rents in respect of each Property of Nos 2 Limited located in Scotland.

Description of Tenants

There are 657 tenants. The largest tenant, based on net rent, is Bathstore.com Ltd representing approximately 1.2 per cent. of the total net rent for the portfolio.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Bathstore.com Ltd	96,943	1.2%	98,038	5,326	-	13.9 yrs
Bewise Limited	80,000	1.0%	70,000	14,340	-	8.0 yrs
Inshops Centre Plc	77,500	1.0%	93,200	12,754	-	10.8 yrs
Bodycare (Health & Beauty) Ltd	75,000	1.0%	44,900	2,353	-	13.5 yrs
First Quench Retailing Ltd	74,500	0.9%	69,700	7,546	-	8.5 yrs
Total (Top 5)	**403,943**	**5.1%**	**375,838**	**42,319**		

Financial Covenants

The relevant Credit Agreement provides that the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Escrow Account

The Nos 2 & 3 Borrowers have deposited £800,000 from the proceeds of the Nos 2 & 3 Portfolio Loan into an escrow account. Monies can be withdrawn from the escrow account to the Nos 2 & 3 Borrowers' order:

(a) in the event and only for so long as the Interest Cover is greater than 135 per cent. on two consecutive Interest Payment Dates; and

(b) in the event of a listing in connection with an application by the Nos 2 & 3 Borrowers, the Nos Shareholder and certain group companies to become a Real Estate Investment Trust under Part 4 of the Finance Act 2006, and:

  (i) which leads to a prepayment of the Nos 2 & 3 Portfolio Loan sufficient to reduce the Nos 2 & 3 Portfolio Loan to Value to 60 per cent. or less; and

  (ii) all provisions of the Credit Agreement relating to the making of such a prepayment have been satisfied.

The Cut-Off Date balance of the escrow account is £800,000.

Greater London Portfolio

Loan Information	
Cut-Off Date Securitised Principal Balance[15] (£):	73,200,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool[16]:	8.2%
Maturity Securitised Principal Balance[21] (£):	71,287,000
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 15th of each January, April, July and October commencing on 15 October 2006
Loan Purpose:	Acquisition or Refinance
Interest Rate:	Floating
All-in Securitised Interest Rate:	5.44%
Origination Date:	28 September 2006
Maturity Date:	15 October 2011
Borrower:	Greater London Offices (Central House) Ltd & Greater London Offices (Old Broad Street) Ltd
Sponsor Name:	Warner Estate Holdings Plc / Barclays Capital Real Estate Equity
Interest Calculation:	ACT/365
Amortisation:	See below
Up-Front Reserves (£):	N/A
Cut-Off Date Securitised LTV:	75.4%
Maturity Securitised LTV:	73.4%
Cut-Off Date Securitised ICR:	1.24x
Cut-Off Date Securitised DSCR:	1.24x

Property Information	
Number of Properties:	2
Number of Tenants:	27
Property Type:	Offices
Location:	London
Address:	Camperdown St & 55 Old Broad St
Property Tenure:	Freehold
Property Management:	Warner Active Management No. 4 Ltd
Net Rent (£):	4,953,877
Net ERV (£):	5,403,350
Cost Assumptions:	3.6%
Market Value (£):	97,100,000
Vacant Possession Value (£):	80,000,000
Valuation Date:	29 September 2006
Valuer:	Colliers CRE

15 Assumes Available Commitment under the GLP Revolving Credit Facility is £1,000,000 subject to downgrade adjustment and assumes that the GLP Revolving Credit Facility is drawn in full.

16 Assumes that the GLP Revolving Credit Facility is drawn in full.

The Loans

The Greater London Portfolio Loans represent a term loan (the **GLP Term Loan**) used to finance or refinance the purchase of the Greater London Properties and a revolving loan (the **GLP Revolver Loan** and, together with the GLP Term Loan, the **Greater London Portfolio Loans**) to be used to make certain approved capital expenditure arising in respect of the Greater London Properties under a revolving credit facility (the **GLP Revolving Credit Facility**). The Greater London Portfolio Loans were originated by the Seller on 28 September 2006 and both are primarily secured by a first legal mortgage encumbering freehold title interest in properties located in London (the **Greater London Properties**). The Related Security also benefits from a mortgage of shares in the Greater London Borrowers.

The Relevant Borrowers

The Borrowers under the Greater London Portfolio Loans are Greater London Offices (Old Broad Street) Limited and Greater London Offices (Central House) Limited, both special purpose entities incorporated in England and Wales on 6 September 2006 with registered number 5927699 and 5927693, respectively (the **Greater London Borrowers**). The registered office of the Greater London Borrowers is at Nations House, 103 Wigmore Street, London W1U 1AE.

The principal activity of the Greater London Borrowers is to act as property investment companies. The entire issued share capital of the Greater London Borrowers is owned by Greater London Offices Limited (the **Greater London Shareholder**).

Property management

The Greater London Properties are managed by Warner Active Management No. 4 Limited (the **Greater London Properties Manager**) on behalf of the Greater London Borrowers pursuant to a management agreement dated 28 September 2006 (the **Greater London Management Agreement**).

Under the terms of the Greater London Portfolio Loans, the Greater London Borrowers may not appoint any property manager without the prior consent of the Security Agent. In addition, if the Greater London Properties Manager is in default of its obligations under the Greater London Management Agreement and as a consequence the Greater London Borrowers are entitled to terminate the agreement, the Lender can require the Greater London Borrowers to use all reasonable endeavours to terminate the management agreement in accordance with its terms and appoint a new manager whose identity and terms of appointment are acceptable to the Lender.

Subordinated debt

There are subordinated intra-group loans between the Greater London Shareholder and the Greater London Borrowers which are subject to a Subordination Agreement.

The GLP Revolver Loan is to be used to make certain approved capital expenditure arising in respect of the Greater London Properties under a revolving credit facility the GLP Revolving Credit Facility. Both Greater London Portfolio Loans are made to the Greater London Borrowers and are secured on the same Properties and other related Loan Security. The maximum commitment under the GLP Revolving Credit Facility is £1,000,000 (which may be reduced in certain circumstances). On the Closing Date both the GLP Term Loan and the GLP Revolver Loan will be acquired by the Issuer and included in the Loan Pool.

Security package

The security under the Greater London Portfolio Loans comprises:

(a) a first ranking legal mortgage encumbering all estates and interests in the Greater London Properties;

(b) a first ranking fixed charge over the assets of the Greater London Borrowers;

(c) an assignment of rights under certain agreements, including its interest in rental income and insurances; and

(d) a mortgage of shares in the Greater London Borrowers.

Description of Tenants

There is a total of 26 tenants at Old Broad Street, London and one tenant at Central House, 25 Camperdown Street, London. The majority of the rents are subject to upward only rent reviews, and require the tenants to pay a service charge and insurance charge in addition to the annual rent.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Maersk Line UK Ltd (Oversea Containers Limited)	1,448,225	29.2%	1,223,500	57,225	-	5.0 yrs
CBRE Limited	556,430	11.2%	417,041	11,721	- /Ba1/BB+[(1)]	5.6 yrs
Boots the Chemists Limited	295,811	6.0%	378,692	2,783	BBB/Baa2/BBB[(2)]	5.1 yrs
Barclays Bank Plc	285,349	5.8%	316,376	3,817	AA+/AA1/AA	5.6 yrs
Pinsent Curtis Biddle Partnership	285,111	5.8%	210,438	5,852	-	5.6 yrs
Total (Top 5)	**2,870,926**	**58.0%**	**2,546,046**	**81,398**		

(1) Guarantor rating – CB Richard Ellis Europe Ltd.
(2) Parent rating – Alliance Boots Plc.

Financial Covenants

The Credit Agreement in respect of the Greater London Portfolio Loans provides for the following financial covenants:

(a) the Loan to Value (which includes the "mark to market" of the Greater London Loan Hedging Arrangements to the extent it is against the Greater London Borrowers) is required to be no greater than 85 per cent. Breach of this requirement constitutes an event of default under the relevant Agreement; and

(b) the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Loan Hedging Arrangements

In addition to the circumstances set out in *The Loans and the Loan Security – Hedging Obligations*, the Loan Hedging Arrangements in respect of the GLP Term Loan may be terminated by the Borrower and/or the Loan Hedge Counterparty on the occurrence of:

(a) the Relevant Security Agent giving notice to the Relevant Borrower to accelerate the GLP Term Loan or taking any steps to enforce the security created under any of the security documents, after serving the aforementioned notice, which permits the Loan Hedge Counterparty to terminate the Loan Hedging Arrangement;

(b) the Relevant Borrower entering into a substitute Loan Hedging Arrangement (if required) in accordance with the terms of the Loan Hedging Arrangement and the Credit Agreement, permitting the Relevant Borrower to terminate the Loan Hedging Arrangement, subject to agreement with the relevant Loan Hedge Counterparty;

(c) a prepayment or repayment under the Relevant Credit Agreement which causes the notional amount of the relevant Loan Hedging Arrangement to exceed (after taking account of priority of payments in relation to such prepayment or repayment in accordance with the terms of the relevant Credit Agreement) 100 per cent. of the amount of the GLP Term Loan then outstanding, where such close out may be in whole or in part. Upon such prepayment or repayment, the relevant Loan Hedge Counterparty may terminate the Loan Hedging Arrangement;

(d) a failure to pay or deliver or where certain insolvency or tax events occur and are outstanding in respect of the Greater London Portfolio Borrowers, the Greater London Loan Hedge Counterparty may terminate the Loan Hedging Arrangement;

(e) the Relevant Security Agent making such a request as a result of a rating downgrade occurring with respect to the relevant Loan Hedge Counterparty, where the relevant Loan Hedge Counterparty failed to comply with the provisions of the relevant Loan Hedging Arrangements regarding such credit downgrade events; or

(f) where there is otherwise a termination or closing out by the Relevant Borrower pursuant to the terms of the relevant Loan Hedging Arrangement with the prior consent of the Relevant Security Agent.

Escrow Account

In respect of the Greater London Portfolio Loans, if the lease to Maersk Line UK Ltd is renegotiated such that a rent-free period is provided to that tenant, the Relevant Security Agent will transfer the escrow account to the rent cover account, an amount equal to the net rental income that would have been earned in respect of that lease had the rent-free period not been granted by the Relevant Borrowers.

Agora Max Portfolio

Loan Information	
Cut-Off Date Securitised Principal Balance (£)[17]:	68,315,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	7.6%
Maturity Securitised Principal Balance (£)[22]:	68,315,000
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 10th of each February, May, August and November commencing on 10 May 2006
Loan Purpose:	Acquisition
Interest Rate:	Floating
All-in Securitised Interest Rate:	5.90%
Origination Date:	07 March 2006
Maturity Date:	07 March 2011
Borrower:	Agora Max Birkenhead Unit Trust & Pallasades Birmingham Unit Trust
Sponsor Name:	Warner Estates Funds Ltd / Uberior Ventures Ltd
Interest Calculation:	ACT/365
Amortisation:	Bullet
Up-Front Reserves (£):	N/A
Cut-Off Date Securitised LTV:	65.7%
Maturity Securitised LTV:	65.7%
Cut-Off Date Securitised ICR:	1.40x
Cut-Off Date Securitised DSCR:	1.40x

Property Information	
Number of Properties:	3
Number of Tenants:	220
Property Type:	Shopping Centres
Location:	West Midlands
Address:	Birmingham & Birkenhead
Property Tenure:	2 Freehold, 1 Leasehold
Property Management:	Jones Lang Lasalle Ltd, Savills Commercial Ltd & Warner Active Management
Net Rent22 (£) :	5,662,265
Net ERV22 (£) :	6,654,974
Cost Assumptions:	14.8%
Market Value (£)22 :	103,966,667
Vacant Possession Value (£):	-
Valuation Date:	31 March 2006
Valuer:	DTZ

[17] One-third of the relevant value in respect of the Agora Max Senior A Loan (with the balance of the Agora Max Senior A Loan equal to £204,945,000).

The Loan

The Agora Max Portfolio Whole Loan was originated by HBOS on 7 March 2006 and is primarily secured by a first priority legal mortgage encumbering freehold title and leasehold title interests (or a combination thereof) in properties located in England (the **Agora Max Properties**). On 10 August 2006 the Seller purchased a participation (the **Agora Max Portfolio Loan**) in the Agora Max Senior A Loan. The Related Security also benefits from a charge of the units held by the relevant parent in each Borrower.

Title

The Grange and The Pyramids properties are held by Agora Max Birkenhead Unit Trust being one of the Borrowers. The legal title to The Pallasades property is held by a trust corporation, Pallasades One Limited on behalf of the other Borrower, the Pallasades Birmingham Unit Trust who hold the beneficial interest.

The Relevant Borrower

The Borrowers under the Agora Max Portfolio Loan are the Agora Max Birkenhead Unit Trust and The Pallasades Birmingham Unit Trust each of which are Jersey unit trusts acting through their trustees (the **Agora Max Borrowers**).

Property management

The Grange and The Pyramids are asset managed by Warner Active Management No.2 Limited on behalf of the relevant Agora Max Borrower pursuant to an asset management agreement dated 7 March 2006. The property manager of The Grange and The Pyramids is Jones Lang LaSalle Limited pursuant to management agreements between the relevant asset manager and Jones Lang Lasalle Limited each dated 2 December.

The Pallasades is asset managed by Warner Active Management No.2 Limited on behalf of the relevant Agora Max Borrower pursuant to an asset management agreement dated 24 October 2005. The property manager of The Pallasades is Savills Commercial Limited pursuant to a property management agreement between the relevant asset manager and Savills Commercial Limited dated 24 October 2005.

Under the terms of the Agora Max Portfolio Loan, the Borrowers may not appoint any property manager or asset manager without the prior written consent of, and on the terms approved by, the Agora Max Agent.

Subordinated debt

The Agora Max Borrower, the Agora Max Existing Senior A Lenders, the Agora Max Senior B Lenders and the Agora Max Junior Lenders, amongst others, entered into an Intercreditor deed dated 7 March 2006 to which the Seller acceded on 10 August, 2006 (the **Agora Max Intercreditor Deed**) and to which the Issuer will accede on the Closing Date. The Agora Max Senior B Lenders and the Agora Max Junior Lenders are subordinated to the lenders of the Agora Max Senior A Loan under the Agora Max Intercreditor Agreement. In the event that there is a conflict of interest between the Agora Max Intercreditor Deed and any other Finance Document, the Agora Max Intercreditor Deed will prevail. For more information on the Agora Max Intercreditor Deed see *The Loans and the Loan Security Agreements* above.

Security package

The security under the Agora Max Portfolio Loan includes:

(a) a first ranking legal mortgage encumbering the title to the Agora Max Properties;

(b) a first ranking fixed charge over certain assets including a charge over the units of the Agora Max Borrowers;

(c) an assignment of rights under certain agreements; and

(d) a charge over the units owned by the relevant parent in the Agora Max Borrowers.

Description of Guarantors

The Agora Max Borrowers are also guarantors of the Agora Max Portfolio Loan.

Description of Tenants

The occupational tenants consist of high street retailers as is common with shopping centres.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
The Secretary of State	341,400	6.0%	312,502	101,629	AAA/Aaa/AAA	10.8 yrs
NCP Ltd	295,020	5.2%	303,073	-	- /A1/A+[(1)]	23.3 yrs
Woolworths Ltd	196,680	3.5%	198,142	16,112	- /A3/A-	4.3 yrs
JJB Sports Plc	110,698	2.0%	120,590	28,640	-	7.0 yrs
New Look Retailers Ltd	100,176	1.8%	103,449	4,624	-	6.8 yrs
Total (Top 5)	**1,043,975**	**18.4%**	**1,037,756**	**151,005**		

(1) Parent rating – 3i Group Plc.

Financial Covenants

The relevant Credit Agreement provides for the following financial covenants:

(a) the Loan to Value is required to be no greater than 70 per cent. for the Agora Max Senior A Loan. Breach of this requirement constitutes an event of default under the relevant Credit Agreement; and

(b) the net Interest Cover and the projected Interest Cover is required to be no less than 140 per cent. increasing to 145 per cent. on 11 May 2007, 150 per cent. on 11 May 2008, 155 per cent. on 11 May 2009 and 160 per cent. on 11 May 2010 until the Final Maturity Date of the Agora Max Portfolio Loan. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Loan Hedging Arrangements

In addition to the circumstances set out in *The Loans and the Loan Security – Hedging Obligations*, the Loan Hedging Arrangements in respect of the Agora Max Portfolio Loan may be terminated by the Borrower and/or the Loan Hedge Counterparty on the occurrence of:

(a) the Agora Max Portfolio Loan becoming capable of being declared due and payable before it would otherwise have been due and payable, which permits only the Loan Hedge Counterparty to terminate, or there is a failure under the Finance Documents to make one or more payments at maturity when due;

(b) a repayment or prepayment in part of any commitments and/or amounts outstanding under the Credit Agreement, which permits the Loan Hedge Counterparty to terminate with respect of such prepayment or repayment;

(c) a cross default (as specified under the Loan Hedging Arrangements), which permits only the Loan Hedge Counterparty to terminate; or

(d) a credit event upon merger (or specified under the Loan Hedging Arrangements), which permits only the Loan Hedge Counterparty to terminate.

Lloyds Portfolio Loan

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	33,192,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	3.7%
Maturity Securitised Principal Balance (£):	31,445,000
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 16th of each January, April, July and October commencing on 16 January 2007
Loan Purpose:	Refinance
Interest Rate:	Fixed
All-in Securitised Interest Rate:	5.85%
Origination Date:	3 October 2006
Maturity Date:	16 July 2012
Borrower:	Towndome Ltd, Tokenstar Ltd, Torina Ltd, Townshore Ltd and Crestrule Ltd
Sponsor Name:	Englander Federation
Interest Calculation:	ACT/365
Amortisation:	See below
Up-Front Reserves (£):	1,915,473
Cut-Off Date Securitised LTV:	71.5%
Maturity Securitised LTV:	67.7%
Cut-Off Date Securitised ICR:	1.15x
Cut-Off Date Securitised DSCR:	1.00x

Properties Information	
Number of Properties:	43
Number of Tenants:	3
Properties Type:	Financial Services
Location:	Various
Address:	Various
Property Tenure:	42 Freehold, 1 Freehold/ Leasehold
Property Management:	None
Net Rent (£):	2,234,732
Net ERV (£):	2,423,400
Cost Assumptions:	0.0%
Market Value (£):	46,425,000
Vacant Possession Value (£):	37,243,200
Valuation Date:	03 October 2006
Valuer:	Atisreal

Amortisation (£)	
16/04/2007	78,000
16/07/2007	74,000
16/10/2007	70,000
16/01/2008	71,000
16/04/2008	77,000
16/07/2008	79,000
16/10/2008	75,000
16/01/2009	76,000
16/04/2009	87,000
16/07/2009	83,000
16/10/2009	79,000
16/01/2010	80,000
16/04/2010	92,000
16/07/2010	88,000
16/10/2010	84,000
16/01/2011	86,000
16/04/2011	97,000
16/07/2011	93,000
16/10/2011	90,000
16/01/2012	91,000
16/04/2012	97,000

The Loan

The Loan (the **Lloyds Portfolio Loan**) was originated by the Seller on 3 October 2006 and is primarily secured by a legal mortgage over the freehold title and leasehold title interests in respect of properties located across the United Kingdom (the **Lloyds Properties**). The Related Security also benefits from charges of the shares in the Lloyds Borrowers and the assets of the Lloyds Borrowers (as defined below).

The Relevant Borrowers

The Borrowers under the Lloyds Portfolio Loan are five special purpose entities incorporated in England and Wales as private limited companies with registered numbers 3227121, 3225561, 3227123, 3227282 and 3227969 (the **Lloyds Borrowers**). The sponsor of the Lloyds Portfolio Loan is the **Lloyds Affiliate**.

The principal activities of the Lloyds Borrowers are to act as property investment companies.

Property management

Under the terms of the Lloyds Portfolio Loan, the Lloyds Borrowers may not appoint any property manager without the prior consent of the Lender (unless connected to the Lloyds Affiliate and not responsible for collecting rental income). In addition, a property manager must enter into a duty of care agreement and must manage the Lloyds Properties to a standard consistent with that of a prudent property owner. If Lloyds Properties Manager is in default of its obligations under Lloyds Management Agreement and as a consequence the Lloyds Borrowers are entitled to terminate the

relevant agreement, the Lender can require the Lloyds Borrowers to terminate the relevant management agreement.

Subordinated debt

The Lloyds Borrowers are not permitted to have any other financial indebtedness or make any loans except that they may make loans to Better Properties Limited or to a company connected to the Lloyds Affiliate at proper commercial rates with surplus cash from the loan advanced or with surplus cash that has been transferred to the Borrowers or the general account from the rent account, provided that tax issues are satisfied, and may incur trade credit on normal market terms (up to 30 days and not exceeding £200,000) in respect of the ownership and management of the Lloyds Properties.

Other than as set out above, there are no subordinated loans.

Security package

The security under the Lloyds Portfolio Loan comprises:

(a) a legal mortgage over the Lloyds Properties and any other freehold or leasehold properties vested in the Lloyds Borrowers on 6 October 2006;

(b) a fixed charge over the Lloyds Borrowers' interests in any freehold or leasehold properties acquired subsequently, their interests in the Relevant Contracts and their interests in all easements, licences and other rights relating to the Lloyds Properties;

(c) a fixed charge over assets of the Lloyds Borrower in respect of the Lloyds Properties;

(d) an assignment of rights under certain agreements including interests in rental income, disposal proceeds, accounts book debts and other debts and insurances;

(e) floating charges over all the assets, property and undertaking of the Lloyds Borrowers, both present and future; and

(f) share charges over the shares in the Lloyds Borrowers.

Description of Tenants

There are three tenants.

Tenant(s)						
Tenant (s)	**Net Rent[18] (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Lloyds TSB Bank Plc	2,096,350	93.8%	2,381,150	196,257	AA+/Aaa/AA	4.3 yrs
Holly Richmond	21,750	1.0%	28,000	2,469	-	4.3 yrs
Timothy West	10,000	0.4%	14,250	682	-	4.3 yrs
Total	**2,128,100**	**95.2%**	**2,423,400**	**199,408**		

Financial Covenants

The relevant Credit Agreement provides for the following financial covenants:

[18] The three tenants listed account for 95.2% of the rent in relation to the relevant Properties. The remaining £106,632 of the total rent comprises amounts standing to the credit of the escrow account that have been modelled as rent.

(a) the Loan to Value is required to be no greater than 80 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement; and

(b) the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Escrow Account

In respect of the Lloyds Portfolio Loan, the Borrowers have deposited £2,094,300 in an escrow account. Monies can be withdrawn from the escrow account at any time by the Lender to pay all amounts due and payable under the Credit Agreement and, following a default, any other liabilities arising from the default of a tenant under its lease. If, during the term of the facility, the net rental income under the Credit Agreement increases, monies in the escrow account will be returned to the Borrower in an amount corresponding to such increase. In order to extend the term of the Lloyds Portfolio Loan, a further deposit must be made into a separate escrow account with withdrawals made on similar terms to the original escrow account.

The Cut-Off Date balance of the escrow account is £1,915,473.

Workspace Portfolio

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	26,565,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	3.0%
Maturity Securitised Principal Balance (£):	26,565,000
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 15th of each January, April, July and October commencing on 15 April 2006
Loan Purpose:	Acquisition
Interest Rate:	Fixed
All-in Securitised Interest Rate:	5.97%
Origination Date:	31 March 2006
Maturity Date:	15 January 2013
Borrower:	Bizspace Trustee (Jersey) Ltd as trustees for the Bizspace Unit Trust
Sponsor Name:	Electra Partners Ltd and Bizspace Plc
Interest Calculation:	ACT/365
Amortisation:	Bullet
Up-Front Reserves (£):	136,843
Cut-Off Date Securitised LTV:	70.0%
Maturity Securitised LTV:	70.0%
Cut-Off Date Securitised ICR:	1.64x
Cut-Off Date Securitised DSCR:	1.64x

Property Information	
Number of Properties:	8
Number of Tenants:	257
Property Type:	Offices and Industrial
Location:	Various
Address:	Throughout the UK
Property Tenure:	7 Freehold, 1 Leasehold
Property Management:	Bizspace Plc
Net Rent (£):	2,599,330
Net ERV (£):	3,189,467
Cost Assumptions:	29.7%
Market Value (£):	37,950,000
Vacant Possession Value (£):	31,700,000
Valuation Date:	Throughout 2006
Valuer:	CBRE

The Loan

The Loan (the **Workspace Portfolio Loan**) was originated by the Seller on 31 March 2006 and is primarily secured by a first legal mortgage encumbering freehold title interests in properties located at Moulton Park Business Centre, Deer Park Road, Northampton, NN3 6AQ; Millennium Business Centre, Humber Road, London, NW2 6HN; Garston Industrial Estate, Garston, Liverpool, L19 8JB;

Kiln Lane Trading Estate, Stallingborough, Grimsby; Byron House, Seaham Grange Industrial Estate, County Durham, SR7 0PY; Abbey Road Business Centre, Abbey Road, Pity Me, Durham, DH1 5JZ; Wansbeck Business Centre, Rotary Parkway, Ashington, NE63 8QZ; and Mavers House & Silkstone House, Bolton Road, Rotheram (the **Workspace Properties**).

The Relevant Borrower

The Borrower under the Workspace Portfolio Loan, is a special purpose entity incorporated in Jersey (the **Workspace Borrower**) to act as trustee of a Jersey Property Unit Trust established under Article 7(3) of the Trusts (Jersey) Law, 1984. The Workspace Borrower owns the entire issued share capital of Bizspace Nominee Limited (the **Nominee Company**), a nominee company with whom the Workspace Borrower jointly hold legal title to the Workspace Properties. The unit holders in the Jersey Property Unit Trust, Bizspace plc, Electra Investments Limited and Electra Private Equity plc (the **Unit Holders**), hold the ultimate beneficial interest in the Workspace Properties.

The entire issued share capital of the Workspace Borrower is legally owned by Electra Partners Ltd.

Property management

The Workspace Properties are managed by Bizspace plc (the **Workspace Property Manager**) on behalf of the Workspace Borrower.

The loan documents contain provisions regarding the appointment and termination of property managers which require the Lender's consent to any such appointment, that a property manager conclude a duty of care agreement with the Workspace Borrower, that a property manager must manage the Workspace Properties to a standard consistent with that of a prudent property manager and that the Workspace Borrower terminate the appointment of a defaulting property manager if so permitted and requested by the Lender. Rentals collected by the Workspace Property Manager are to be paid into a secured rent account of the Workspace Property Manager.

Subordinated debt

The Workspace Borrower is not permitted to have any other financial indebtedness other than subordinated debt which may be owed to the Unit Holders from time to time and trade credit in respect of the Properties.

Security package

The security under the Workspace Portfolio Loan comprises:

(a) a first ranking legal mortgage encumbering the legal and beneficial title to the Workspace Properties;

(b) a first ranking fixed charge over certain assets of the Workspace Borrower, including nominated bank accounts (given by the Workspace Property Manager), book and other debts and other documents relating to the Workspace Properties;

(c) an assignment of its rights and interest in rental income, insurances, disposal proceeds and occupational leases and other documents; and

(d) a mortgage of shares in the Nominee Company.

Description of Tenants

There are 257 tenants.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Great Bear Distribution Ltd	366,473	14.1%	496,268	194,212	-	4.5 yrs
Hobbs Limited	114,758	4.4%	133,076	33,933	-	7.1 yrs
A4E	71,687	2.8%	69,790	6,273	-	0.0 yrs
Coalfield Regeneration Trust	70,768	2.7%	63,839	7,160	-	4.4 yrs
The Secretary of State	58,145	2.2%	67,079	7,524	AAA/Aaa/AAA	1.1 yrs
Total (Top 5)	**681,831**	**26.2%**	**830,052**	**249,102**		

Financial Covenants

The relevant Credit Agreement provides for that the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Escrow Account

In respect of the Workspace Portfolio Loan, the Relevant Borrower must maintain a rental escrow account to:

(a) facilitate the payment of all amounts due to the Seller under the relevant Credit Agreement; and

(b) on disposal or substitution of a Property, for payment of the amount deposited into this account by the Relevant Borrower.

The Cut-Off Date balance of the escrow account is £136,843.

Pitch 2 Portfolio

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	22,219,075
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	2.5%
Maturity Securitised Principal Balance (£):	22,219,075
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 16th of each January, April, July and October commencing on 16 October 2005
Loan Purpose:	Acquisition or Refinance
Interest Rate:	Fixed
All-in Securitised Interest Rate:	5.57%
Origination Date:	29 June 2005
Maturity Date:	16 October 2013
Borrower:	Royal Bank of Canada Trust Corporation Ltd
Sponsor Name:	Pitch
Interest Calculation:	ACT/365
Amortisation:	Bullet
Up-Front Reserves (£):	N/A
Cut-Off Date Securitised LTV:	49.2%
Maturity Securitised LTV:	49.2%
Cut-Off Date Securitised ICR:	2.43x
Cut-Off Date Securitised DSCR:	2.43x

Property Information	
Number of Properties:	11
Number of Tenants:	16
Property Type:	Mixed
Location:	Various
Address:	Various
Property Tenure:	8 Freehold, 3 Leasehold
Property Management:	Mayfair Capital Investment
Net Rent (£):	3,005,856
Net ERV (£):	2,997,080
Cost Assumptions:	0.0%
Market Value (£):	45,170,000
Vacant Possession Value (£):	35,800,000
Valuation Date:	2005-2006
Valuer:	DTZ

The Loan

The Loan (the **Pitch 2 Portfolio Loan**) was originated by the Seller on 29 June 2005 and is primarily secured by a first legal mortgage encumbering both freehold and leasehold title interests in properties located at Plot 4 Loughborough Industrial Park, Bishops Meadow Road, Loughborough, Leicestershire; Wedgnock Lane Industrial Estate, Warwick; 2 Europa View, Sheffield Business Park,

Sheffield; Lambourne House, Lambourne Crescent, Cardiff Business Park, Llanishen, City of Cardiff; Global House, Basingstoke; Chatsworth House, 59-63 London Road and 22-32 (even) Grosvenor Road, Twickenham; Eaton House and Black Horse House, Wallbrook Court, Botley, Oxford; Premises at Litchfield Road, Wednesfield, Wolverhampton; Land and Buildings at March Trading Estate, Martin Avenue, March, Cambridgeshire; and Units 18 & 20 The Parks, Newton-le-Willows (the **Pitch 2 Portfolio Properties**).

The Relevant Borrower

The Borrower under the Pitch 2 Portfolio Loan is the Royal Bank of Canada Trust Corporation Limited registered number 849073, constituted in England and Wales and incorporated on 14 May 1965 (the **Pitch 2 Borrower**) acting as trustee for a unit trust, the Property Income Trust for Charities (the **Pitch 2 Trust**). The registered office of the Pitch 2 Borrower is at 71 Queen Victoria Street, London EC4V 4DE.

The trust fund comprises all assets of the Pitch 2 Trust from time to time which are subject to any security (including the Pitch 2 Portfolio) (the **Pitch 2 Trust Fund**).

Property management

The Pitch 2 Portfolio Properties are managed by Mayfair Capital Partners Limited (registered number 4330007) (the **Pitch 2 Property Manager**) on behalf of the Pitch 2 Borrower.

Drivers Jonas Limited has been appointed as managing agent. The loan documents contain provisions regarding the appointment and termination of a managing agent which require the Lender's consent to any such appointment, that a managing agent enters into a duty of care agreement with the Pitch 2 Property Manager and the Security Agent and that the Pitch 2 Borrower terminate the appointment of a defaulting managing agent if so permitted by the management agreement and requested by the Security Agent and appoint a new managing agent approved by the Security Agent. Rentals collected by the managing agent are held in a trust account pending payment into the secured rent account as per the Finance Documents.

Subordinated debt

The Pitch 2 Borrower is not permitted to have any other financial indebtedness other than indebtedness where the recourse of the relevant creditor for that indebtedness is limited to assets of the Pitch 2 Borrower that do not form part of the Pitch 2 Trust Fund, and any other indebtedness permitted under the Finance Documents and any subordinated debt which may be owed to the Unit Holders from time to time.

Security package

The security under the Pitch 2 Portfolio Loan comprises:

(a) a first legal mortgage, or to the extent the Pitch 2 Borrower's interest is not a legal interest, a first mortgage, encumbering the title to the Pitch 2 Portfolio Properties;

(b) a first fixed charge over certain assets of the Pitch 2 Borrower including nominated accounts, book and other debts and other documents relating to the Pitch 2 Portfolio Properties; and

(c) an assignment of rights under certain agreements, interest in rental income and insurances.

Description of Tenants

There are 16 tenants occupying the 11 Pitch 2 Portfolio Properties. The largest, based on net rent, is Taylor Woodrow Ltd representing 13.4 per cent. of the total net rent for the portfolio.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Taylor Woodrow Plc	402,500	13.4%	402,500	70,429	BBB+/ - / -	**8.5 yrs**
Payless Properties Limited	385,947	12.8%	413,252	47,591	-	**13.3 yrs**
Budelpak UK Holding Limited	366,640	12.2%	355,000	118,185	BBB+/ - / -(1)	**8.5 yrs**
Fujitsu Siemens Computers I.T. Product Services Limited	306,678	10.2%	306,678	20,130	BBB/Baa1/BBB+(2)	**4.3 yrs**
Durr Ltd	276,975	9.2%	290,000	29,334	-	**9.8 yrs**
Total (Top 5)	**1,738,740**	**57.8%**	**1,767,430**	**285,669**		

(1) Guarantor rating – Budelpak Int. BV.
(2) Parent rating – Fujitsu Ltd.

Financial Covenants

The relevant Credit Agreement provides for the Interest Cover to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Grafton Estate Portfolio

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	20,000,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	2.2%
Maturity Securitised Principal Balance (£):	20,000,000
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 17th of each January, April, July and October commencing on 17 October 2006
Loan Purpose:	Acquisition
Interest Rate:	Fixed
All-in Securitised Interest Rate:	6.02%
Origination Date:	22 September 2006
Maturity Date:	17 October 2011
Borrower:	O&H (One) Ltd & O&H Mayfair No.2 Ltd
Sponsor Name:	O&H Group
Interest Calculation:	ACT/365
Amortisation:	Bullet
Up-Front Reserves (£):	1,000,000
Cut-Off Date Securitised LTV:	37.9%
Maturity Securitised LTV:	37.9%
Cut-Off Date Securitised ICR:	1.74x
Cut-Off Date Securitised DSCR:	1.74x

Properties Information	
Number of Properties:	2
Number of Tenants:	10
Properties Type:	Office/Retail
Location:	London
Address:	11-14 Grafton St & 223-231 Old Marylebone Road
Property Tenure:	1 Freehold, 1 Leasehold
Property Management:	Workman & Partners Limited and Strutt & Parker
Net Rent (£):	2,089,184
Net ERV (£):	2,606,321
Cost Assumptions:	1.1%
Market Value (£):	52,800,000
Vacant Possession Value (£):	47,000,000
Valuation Date:	22 September 2006 & 25 September 2006
Valuer:	CBRE & Montagu Evans

The Loan

The Loan (the **Grafton Estate Portfolio Loan**) was originated by the Seller on 22 September 2006 and is primarily secured by legal mortgages over the leasehold title and freehold title interests in respect of 11-14 Grafton Street, London W1 (**Grafton**) and Edison House, 223-231 Old Marylebone Road, London NW1 (**Edison**) (the **Grafton Properties**). The Related Security also benefits from a

charge of the shares in the Grafton Borrowers and the assets of the Grafton Borrowers (as defined below).

The Relevant Borrowers

The Borrowers under the Grafton Estate Portfolio Loan are special purpose entities incorporated in England and Wales with registered numbers 05715384 and 05894338 as private limited companies (the **Grafton Borrowers**).

The principal activities of the Grafton Borrowers are to act as property investment companies. The entire issued share capital of O&H (One) Limited is owned by O&H Limited and the entire issued share capital of O&H Mayfair No.2 Limited is owned by O&H Properties Limited.

Property management

The Grafton Properties are managed by Workman & Partners Limited (the **Edison Property Manager**) and Strutt & Parker (the **Grafton Property Manager**) (together, the **Grafton Properties Managers**) on behalf of the Grafton Borrowers pursuant to management agreements dated 2 October 2006 and 22 September 2006 respectively (the **Grafton Management Agreements**).

Under the terms of the Grafton Estate Portfolio Loan, the Grafton Borrowers may not appoint any property manager without the prior consent of the Lender. In addition, a property manager must enter into a duty of care agreement and must manage the Grafton Properties to a standard consistent with that of a prudent property owner. If a Grafton Properties Manager is in default of its obligations under a Grafton Management Agreement and as a consequence the Grafton Borrowers are entitled to terminate the relevant agreement, the Lender can require the Grafton Borrowers to terminate the relevant management agreement.

Subordinated debt

The Grafton Borrowers are not permitted to incur any other financial indebtedness other than subordinated shareholder loans or any trade credit incurred in respect of the ownership and management of their interest in each of the Grafton Properties.

There are subordinated shareholder loans between the Grafton Borrowers and each of O&H Limited and O&H Properties Limited which are subject to a Deed of Subordination.

Security package

The security under the Grafton Estate Portfolio Loan comprises:

(a) a legal mortgage encumbering the title of the Grafton Properties;

(b) fixed charge over any interest in any freehold or leasehold properties subsequently acquired relating to the Grafton Properties;

(c) fixed charges over the assets which relate to the Grafton Properties;

(d) an assignment of rights under certain agreements and its interest in rental income, disposal proceeds, accounts, all book debts and other debts and insurances;

(e) a floating charge over all the assets, properties and undertaking of the relevant property owners and the Grafton Borrowers;

(f) security interest agreements over all of the units in the relevant Jersey property unit trust; and

(g) share charges of the shares in the Grafton Borrowers.

Description of Tenants

There are 10 tenants.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Secretary of State	801,563	38.4%	540,000	24,503	AAA/Aaa/AAA	1.1 yrs
Boucheron (UK) Limited	442,043	21.2%	477,642	2,120	- / - /BBB-[(1)]	3.7 yrs
O & H Properties Limited	314,341	15.0%	666,523	8,988	-	4.6 yrs
EssenzIale Limited	93,320	4.5%	93,946	835	-	9.0 yrs
Elegance Fashion and Design (UK) Limited	90,373	4.3%	101,857	1,085	-	0.5 yrs
Total (Top 5)	**1,741,640**	**83.4%**	**1,879,969**	**37,531**		

(1) Parent rating – PPR.

Financial Covenants

The relevant Credit Agreement provides for the following financial covenants:

(a) the Loan to Value is required to be no greater than 50 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement; and

(b) the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Escrow Account

In respect of the Grafton Estate Portfolio Loan, the Borrower has deposited £1,000,000 in an escrow account. Monies can be withdrawn from the escrow account at any time by the Lender to pay all amounts due and payable under the Credit Agreement and, following a default, any other liabilities arising from the default of a tenant under its lease.

The Cut-Off Date balance of the escrow account is £1,000,000.

Sol Central

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	18,348,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	2.1%
Maturity Securitised Principal Balance (£):	16,530,000
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 17th of each January, April, July and October commencing on 17 July 2006
Loan Purpose:	Refinance
Interest Rate:	Fixed
All-in Securitised Interest Rate:	6.13%
Origination Date:	5 July 2006
Maturity Date:	17 April 2016
Borrower:	O&H Northampton Ltd
Sponsor Name:	O&H Group
Interest Calculation:	ACT/365
Amortisation:	See below
Up-Front Reserves (£):	N/A
Cut-Off Date Securitised LTV:	64.2%
Maturity Securitised LTV:	57.8%
Cut-Off Date Securitised ICR:	1.78x
Cut-Off Date Securitised DSCR:	1.63x

Property Information	
Number of Properties:	1
Number of Tenants:	13
Property Type:	Leisure
Location:	East Midlands
Address:	Northampton
Property Tenure:	Freehold
Property Management:	Savills Commercial Ltd
Net Rent (£):	1,998,524
Net ERV (£):	2,073,175
Cost Assumptions:	7.5%
Market Value (£):	28,600,000
Vacant Possession Value (£):	21,700,000
Valuation Date:	21 June 2006
Valuer:	Atisreal

Amortisation (£)	
17/04/2007	30,000
17/07/2007	26,000
17/10/2007	24,000
17/01/2008	24,000
17/04/2008	35,000
17/07/2008	36,000
17/10/2008	34,000
17/01/2009	34,000
17/04/2009	41,000
17/07/2009	48,000
17/10/2009	46,000
17/01/2010	46,000
17/04/2010	52,000
17/07/2010	50,000
17/10/2010	47,000
17/01/2011	48,000
17/04/2011	56,000
17/07/2011	71,000
17/10/2011	69,000
17/01/2012	70,000
17/04/2012	75,000
17/07/2012	58,000
17/10/2012	56,000
17/01/2013	57,000
17/04/2013	64,000
17/07/2013	61,000
17/10/2013	59,000
17/01/2014	60,000
17/04/2014	67,000
17/07/2014	66,000
17/10/2014	64,000
17/01/2015	65,000
17/04/2015	72,000
17/07/2015	65,000
17/10/2015	16,000
17/01/2016	26,000

The Loan

The Loan (the **Sol Central Loan**) was originated by the Seller on 5 July 2006 and is primarily secured by a first legal mortgage over the freehold title interest in respect of Sol Central, Marefair, Northampton (the **Sol Central Property**). The Related Security also benefits from a charge of the shares in the Sol Central Borrower and the assets of the Sol Central Borrower (as defined below).

The Relevant Borrower

The Borrower under the Sol Central Loan is a special purpose entity incorporated in England and Wales on 2 December 2003 with registered number 04982121 as a private limited company (the **Sol**

Central Borrower). The registered office of the Sol Central Borrower is at 11-14 Grafton Street, London W1S 4EW.

The principal activity of the Sol Central Borrower is to act as a property investment company. The entire issued share capital of the Sol Central Borrower is legally owned by O & H Limited, Malcolm Donald Dalgleish and the trustees of the Dalgleish Executive Pension Scheme (being Stuart Michael Leighton, Malcolm Donald Dalgleish and Origen Pension Trustees Limited) (together, the **Sol Central Shareholders**).

Property management

The Sol Central Property is managed by Savills Commercial Limited (the **Sol Central Property Manager**) on behalf of the Sol Central Borrower pursuant to a management agreement dated 12 June 2006 (the **Sol Central Management Agreement**).

Under the terms of the Sol Central Loan, the Sol Central Borrower may not appoint any property manager without the prior consent of the Lender. In addition, a Sol Central Property Manager must enter into a duty of care agreement and must manage the Sol Central Property to a standard consistent with that of a prudent property owner. If a Sol Central Property Manager is in default of its obligations under a Sol Central Management Agreement and as a consequence the Sol Central Borrower is entitled to terminate the relevant agreement, the Lender can require the Sol Central Borrower to terminate the relevant management agreement.

Subordinated debt

The Sol Central Borrower is not permitted to incur any financial indebtedness other than subordinated shareholder loans which may be owed to the Sol Central Shareholders from time to time.

Security package

The security under the Sol Central Loan comprises:

(a) a first ranking legal mortgage over all of the Sol Central Borrower's rights in the Sol Central Property;

(b) a first ranking fixed charge over the Sol Central Borrower's chattels, bank accounts, its rights in any land, book and other debts, goodwill, shares, intellectual property rights, licences and other documents;

(c) an assignments of rights under certain agreements and its interest in rental income, insurances, disposal proceeds and occupational leases;

(d) a first floating charge over all of the assets of the Sol Central Borrower from time to time; and

(e) a first fixed charge over all of the rights in the shares owned by the Shareholders in the Sol Central Borrower.

Description of Tenants

There are 13 tenants.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Accor UK Economy Hotels Limited	471,945	23.6%	473,216	57,200	BBB/-/BBB[(1)]	20.1 yrs
Vue Entertainment Limited	408,282	20.4%	409,379	43,606	-	20.8 yrs
Gala Casinos Limited	249,733	12.5%	254,795	26,113	-	21.1 yrs
Vision Fitness (Northampton) Limited	167,218	8.4%	167,669	20,079	-	20.8 yrs
Eldridge Pope & Co Ltd	109,810	5.5%	110,106	7,520	-	29.3 yrs
Total (Top 5)	**1,406,989**	**70.4%**	**1,415,165**	**154,518**		

(1) Parent rating – Accor S.A.

Financial Covenants

The relevant Credit Agreement provides for the Interest Cover to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Gullwing Portfolio

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	13,127,816
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	1.5%
Maturity Securitised Principal Balance (£):	13,127,816
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 17th day of each January, April, July and October commencing on 17 January 2006
Loan Purpose:	Acquisition
Interest Rate:	Fixed
All-in Securitised Interest Rate:	6.11%
Origination Date:	16 January 2006
Maturity Date:	17 January 2011
Borrower:	Gullwing Property GP Ltd and Gullwing Fund 1 LP
Sponsor Name:	Helios Properties Plc / Dover Street Capital Ltd
Interest Calculation:	ACT/365
Amortisation:	Bullet
Up-Front Reserves (£):	51,033
Cut-Off Date Securitised LTV:	74.5%
Maturity Securitised LTV:	74.5%
Cut-Off Date Securitised ICR:	1.69x
Cut-Off Date Securitised DSCR:	1.69x

Property Information	
Number of Properties:	3
Number of Tenants:	22
Property Type:	Industrial
Location:	North West/North East
Address:	Runcorn, Stockport, Blyth
Property Tenure:	2 Freehold, 1 Freehold/Leasehold
Property Management:	Halverton Real Estate Investment Management LLP
Net Rent (£):	1,352,789
Net ERV (£):	1,613,251
Cost Assumptions:	2.5%
Market Value (£):	17,625,000
Vacant Possession Value (£):	12,535,000
Valuation Date:	Throughout 2006
Valuer:	GVA Grimley, GVA Lamb & Edge & Jones Lang Lasalle

The Loan

The Loan (the **Gullwing Portfolio Loan**) was originated by the Seller on 16 January 2006 and is secured by a first priority legal mortgage over the freehold and leasehold title interests in properties located in Cheshire and Northumberland (the **Gullwing Properties**). The Related Security also benefits from a charge of the shares in the general partner of the Gullwing Borrower (as defined

below) as well as full fixed and floating security over the assets of the Gullwing Borrower and other obligors.

Split Title

The legal title to the Gullwing Properties is held by the Nominee Companies (as defined below) and the Gullwing Borrower is a beneficial owner of the Gullwing Properties.

The Relevant Borrower

The Borrower under the Gullwing Portfolio Loan is Gullwing Property GP Limited acting for itself and as general partner for and on behalf of Gullwing Fund 1 LP.

Gullwing Property GP Limited is a limited liability company incorporated in England and Wales (company registration number 05191874) on 28 July 2004 whose registered office is at 34A Queen Anne's Gate, London SW1H 9AB.

Gullwing Fund 1 LP is a special purpose entity registered in the England and Wales on 30 July 2004 with registered number LP009669 as a limited partnership (the **Gullwing Borrower**). The registered office of the Gullwing Borrower is 34A Queen Anne's Gate, London SW1H 9AB. The Gullwing Borrower has Gullwing Property GP Limited as its General Partner acting on its behalf.

The principal activity of the Gullwing Borrower is to act as a property investment fund. The limited partners of the Gullwing Borrower are: Gullwing Property GP Limited, Dover Street Management Limited, Helios Gullwing CI Limited. The shareholders of Gullwing Property GP Limited are: Michael Max Lurie, Michael John Lynn, Trilogy Investments Limited and Dover Street Management Ltd.

The General Partner does not have any subsidiaries or employees other than the Nominee Companies. The Nominee Companies do not have any subsidiaries or employees.

The Nominee Companies are as follows:

(a) HGAM Nominee 1 Limited (incorporated in England and Wales);

(b) HGAM Nominee 2 Limited (incorporated in England and Wales);

(c) HGAM Nominee 3 Limited (incorporated in England and Wales);

(d) HGAM Nominee 4 Limited (incorporated in England and Wales);

(e) HGAM Nominee 5 Limited (incorporated in England and Wales); and

(f) HGAM Nominee 6 Limited (incorporated in England and Wales).

Property management

The Gullwing Properties are managed by Halverton Real Estate Investment Management LLP (the **Gullwing Properties Manager**) on behalf of the Gullwing Borrower pursuant to management agreement dated 12 January 2006, as amended on 17 January 2006 (the **Gullwing Properties Management Agreement**).

Under the terms of the Gullwing Portfolio Loan, the Gullwing Borrower may not appoint any property manager without the prior consent of the Lender. In addition, if a Gullwing Properties

Manager is in default of its obligations under a Gullwing Properties Management Agreement and as a consequence the Gullwing Borrower is entitled to terminate the relevant agreement, the Lender can require the Gullwing Borrower to use all reasonable endeavours to terminate the relevant management agreement and appoint a new manager whose identity and terms of appointment are acceptable to the Lender.

Security package

The security under the Gullwing Portfolio Loan comprises:

(a) a first ranking legal mortgage encumbering all estates and interests in the Gullwing Properties;

(b) a first ranking fixed charge and floating charge over the assets of the Gullwing Borrower and other obligors including a share charge over the shares in the Gullwing Borrower;

(c) an assignment of rights under certain agreements, including its interest in rental income and insurances; and

(d) a charge of shares owned by the shareholders of the General Partner.

Description of Tenants

There are 22 tenants.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Orient Sourcing Services Limited	120,075	8.9%	213,381	62,683	-	0.2 yrs
Fergusons (Blyth) Limited	102,034	7.5%	102,034	33,013	-	2.4 yrs
Ford Retail UK Limited	101,243	7.5%	102,124	25,154	B-/Caa1/B[(1)]	2.6 yrs
Sigmatex (UK) Limited	99,050	7.3%	99,050	26,574	-	0.1 yrs
Burberry Limited	86,564	6.4%	48,400	32,250	-	0.8 yrs
Total (Top 5)	508,966	37.6%	564,989	179,674	-	

[(1)] Parent rating - Ford Motor Company.

Financial Covenants

The relevant Credit Agreement provides for the Interest Cover to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Escrow Account

In respect of the Gullwing Portfolio Loan, the Seller has deposited £300,000 in an escrow account. Upon satisfaction of certain conditions precedent by the Relevant Borrower, monies can be withdrawn from the escrow account by the Lender to pay an amount of up to 36 per cent. of the value of development work (excluding value added tax) in respect of the Properties located at Crossley Road Heaton Norris Stockport, Cheshire.

The Cut-Off Date balance of the escrow account is £305,847.32.

Snowhill

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	11,812,500
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	1.3%
Maturity Securitised Principal Balance (£):	11,062,500
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 16th of each January, April, July and October commencing on 16 July 2006
Loan Purpose:	Refinance
Interest Rate:	Fixed
All-in Securitised Interest Rate:	6.34%
Origination Date:	12 May 2006
Maturity Date:	16 April 2010
Borrower:	Worthearly Ltd
Sponsor Name:	Giles Mackay & Stephen Christie-Miller
Interest Calculation:	ACT/365
Amortisation:	See below
Up-Front Reserves (£):	N/A
Cut-Off Date Securitised LTV:	50.9%
Maturity Securitised LTV:	47.7%
Cut-Off Date Securitised ICR:	2.13x
Cut-Off Date Securitised DSCR:	1.60x

Property Information	
Number of Properties:	1
Number of Tenants:	1
Property Type:	Industrial
Location:	East Midlands
Address:	Snow Hill, Melton Mowbray
Property Tenure:	Freehold
Property Management:	None
Net Rent (£):	1,595,180
Net ERV (£):	721,000
Cost Assumptions:	0.0%
Market Value (£):	23,200,000
Vacant Possession Value (£):	11,850,000
Valuation Date:	14 February 2006
Valuer:	CBRE

Amortisation (£)	
16/04/2007	62,500
16/07/2007	62,500
16/10/2007	62,500
16/01/2008	62,500
16/04/2008	62,500
16/07/2008	62,500
16/10/2008	62,500
16/01/2009	62,500
16/04/2009	62,500
16/07/2009	62,500
16/10/2009	62,500
16/01/2010	62,500

The Loan

The Loan (the **Snowhill Loan**) was originated by the Seller on 12 May 2006 and is primarily secured by a first ranking legal mortgage encumbering the freehold title interest in the property located at Snowhill Road, Melton Mowbray, Leicestershire (the **Snowhill Property**).

The Relevant Borrower

The Borrower under the Snowhill Loan is a special purpose entity incorporated in England on 22 November 1990 with registered number 02561234 as a private limited company (the **Snowhill Borrower**). The registered office of the Snowhill Borrower is at 400 Capability Green, Luton, Bedfordshire LU1 3LU.

The principal activity of the Snowhill Borrower is to act as a property ownership company in respect of the Snowhill Property. The issued share capital of the Snowhill Borrower is owned by Giles MacKay of 2/10 Harbour Yard, Chelsea Harbour, London SW10 0XD and Stephen Christie-Miller of Home Farm, Swyn Combe, Henley on Thames, Oxfordshire RG9 6EA.

Property management

The relevant Credit Agreement contains provisions which require the Lender's consent to the appointment and termination of a property manager; that a property manager enters into a duty of care agreement with the Snowhill Borrower; that a property manager must manage the Snowhill Property to a standard consistent with that of a prudent property manager and that the Snowhill Borrower terminate the appoint of a defaulting property manager if so permitted and requested by the Lenders.

Subordinated debt

The Snowhill Borrower is not permitted to have any other financial indebtedness other than subordinated debt which may be owed to the Shareholders from time to time.

Security package

The security under the Snowhill Loan comprises:

(a) a first ranking legal mortgage encumbering the legal and beneficial title to the Snowhill Property;

(b) a first ranking fixed charge over certain assets of the Snowhill Borrower, including nominated bank accounts, book and other debts and other documents relating to the Snowhill Property; and

(c) an assignment of its rights and interest in rental income, insurances, disposal proceeds and occupational leases and other documents.

Description of Tenants

There is one tenant, B&P (Joinery) Ltd.

The rent is subject to upwards only rent reviews on 25 March 2006, 28 March 2011 and 28 March 2016. Pursuant to the occupational lease in respect of the Snowhill Property, BET Limited, a wholly owned subsidiary of Rentokil Initial Plc (rated BBB by S&P) provides a guarantee for the payment of rent by the tenant.

Tenant(s)						
Tenant(s)	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
B&P (Joinery) Ltd	**1,595,180**	100.0%	721,000	412,165	-	14.1 yrs
Total	**1,595,180**	**100.0%**	**721,000**	**412,165**		

Financial Covenants

The relevant Credit Agreement provides for the Interest Cover to be no less than 175 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Wakefield Europort

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	10,745,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	1.2%
Maturity Securitised Principal Balance (£):	10,745,000
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 17th of each January, April, July and October commencing on 17 January 2007
Loan Purpose:	Refinance
Interest Rate:	Fixed
All-in Securitised Interest Rate:	5.76%
Origination Date:	23 November 2006
Maturity Date:	17 January 2017
Borrower:	Europort Property Ltd & Moore family
Sponsor Name:	Moore Family
Interest Calculation:	ACT/365
Amortisation:	Bullet
Up-Front Reserves (£):	N/A
Cut-Off Date Securitised LTV:	54.0%
Maturity Securitised LTV:	54.0%
Cut-Off Date Securitised ICR:	1.89x
Cut-Off Date Securitised DSCR:	1.89x

Property Information	
Number of Properties:	1
Number of Tenants:	1
Property Type:	Distribution Unit
Location:	Yorkshire & Humber
Address:	Scottish Courage, Tuscany Way
Property Tenure:	Freehold
Property Management:	None
Net Rent (£):	1,166,500
Net ERV (£):	1,213,000
Cost Assumptions:	0.0%
Market Value (£):	19,900,000
Vacant Possession Value (£):	15,500,000
Valuation Date:	26 October 2006
Valuer:	Jones Lang Lasalle

The Loan

The Loan (the **Wakefield Europort Loan**) was originated by the Seller on 23 November 2006 and is secured by a first legal mortgage over the freehold title interest in respect of Scottish & Newcastle Distribution Centre, Express Way,

Tuscany Way, Europort, Normanton, Wakefield WF6 2TZ (the **Wakefield Europort Property**).

The Relevant Borrower

The Borrower under the Wakefield Europort Loan is an Isle of Man partnership comprising Europort Property Limited, a company incorporated in the Isle of Man with registered number 117986C whose registered office is at 2nd Floor, Belgravia House, 34-44 Circular Road, Douglas, Isle of Man IM1 1AE, and the Wakefield Europort Individual Borrowers (together the **Wakefield Europort Property Partnership**). The members of the partnership are jointly and severally liable in respect of the Wakefield Europort Loan, it being noted that the liability of the Wakefield Europort Individual Borrowers is limited to their partnership interest in the Related Security.

The principal activity of the Wakefield Europort Borrower is to own and operate the Wakefield Europort Property and to act as trustee and hold on trust for the Security Agent any distribution, payment or benefit of the security.

Property management

Under the terms of the relevant Credit Agreement, the Wakefield Europort Borrower may not appoint any property manager without the prior consent of the Lender. In addition, if any such property manager is in default of its obligations under any property management agreement and as a consequence the Wakefield Europort Borrower is entitled to terminate the relevant agreement, the Lender can require the Wakefield Europort Borrower to terminate the relevant management agreement and appoint a new manager whose identity and terms of appointment are acceptable to the Lender.

Subordinated Debt

Pursuant to the relevant Credit Agreement the Wakefield Europort Borrower has covenanted that it will not distribute or pay all or any part of the capital contribution or any distribution relating to the capital contribution of the partners of the Wakefield Europort Property Partnership.

Security package

The security under the Wakefield Europort Loan comprises:

(a) a first ranking legal mortgage encumbering the title to the Wakefield Europort Property;

(b) an assignment of rights under certain agreements, rental income and insurances;

(c) a first fixed charge over certain licences, nominated accounts and other documents;

Description of Tenants

There is one tenant, Scottish & Newcastle plc. Rent is subject to upwards only rent reviews on 8 March 2007 and 8 March 2012.

Tenant(s)						
Tenant(s)	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Scottish and Newcastle plc	1,166,500	100.0%	1,213,000	276,969	BBB-/ – /BBB-	10.1 yrs
Total	**1,166,500**	**100.0%**	**1,213,000**	**276,969**		

Financial Covenants

The relevant Credit Agreement provides for the following financial covenants:

(a) the Loan to Value is required to be no greater than 70 per cent. up to and including 22 November 2011. From 23 November 2011 the Loan to Value is required to be no greater than 65 per cent. until the Final Maturity Date of the Wakefield Europort Loan. Breach of this requirement constitutes an event of default under the relevant Credit Agreement; and

(b) the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Forster Hall

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	10,200,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	1.1%
Maturity Securitised Principal Balance (£):	10,200,000
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 16th of each January, April, July and October commencing on 16 October 2006
Loan Purpose:	Acquisition
Interest Rate:	Fixed
All-in Securitised Interest Rate:	5.84%
Origination Date:	12 September 2006
Maturity Date:	16 July 2013
Borrower:	Forster Hall Ltd Patnership
Sponsor Name:	Cordea Savills LLP
Interest Calculation:	ACT/365
Amortisation:	Bullet
Up-Front Reserves (£):	175,796
Cut-Off Date Securitised LTV:	60.0%
Maturity Securitised LTV:	60.0%
Cut-Off Date Securitised ICR:	1.46x
Cut-Off Date Securitised DSCR:	1.46x

Property Information	
Number of Properties:	1
Number of Tenants:	460 (495) units[19]
Property Type:	Student Hall
Location:	Yorkshire & Humber
Address:	Great Horton Road, Bradford
Property Tenure:	Freehold
Property Management:	Mainstay Residential Ltd
Net Rent (£):	867,753
Net ERV (£):	867,753
Cost Assumptions:	36.3%
Market Value (£):	17,000,000
Vacant Possession Value (£):	17,000,000
Valuation Date:	11 September 2006
Valuer:	King Sturge

[19] Assuming 7.07% void rate.

The Loan

The Loan (the **Forster Hall Loan**) was originated by the Seller on 12 September 2006 and is primarily secured by a legal mortgage over the freehold title interests in the property located at Great Horton Road, Bradford BD7 1QG (the **Forster Hall Property**).

The Relevant Borrower

The Borrower under the Forster Hall Loan is a special purpose entity registered in England on 6 July 2006 with registered number LP011428 as a limited partnership (the **Forster Hall Borrower**). The registered office of the Forster Hall Borrower is at 20 Grosvenor Hill London W1K 3HQ.

The principal activity of the Forster Hall Borrower is to act as a property investment company. The members of the Forster Hall Borrower are (i) Forster Hall GP Limited (a special purpose entity incorporated in England and Wales with registered number 5859841) (the **Forster Hall General Partner**), which is wholly owned by Cordea Savills LLP (a limited liability partnership incorporated in England and Wales with registered number OC306423) and (ii) RBSI Custody Bank Limited (a company incorporated in Jersey with registered number 1472) and RBSI Trust Company Limited (a company incorporated in Jersey with registered number 14168) (the **Forster Hall Limited Partners**), both acting as trustees of the Cordea Savills Student Hall Fund. The Forster Hall Property is jointly owned by the Forster Hall General Partner and Student Hall Nominees Limited, a company wholly owned by the Forster Hall Limited Partners.

Property management

The Forster Hall Properties are managed by Mainstay Residential Limited (the **Forster Hall Property Manager**) on behalf of the Forster Hall Borrower.

The loan documents contain provisions regarding the appointment and termination of property managers which require the Lenders' consent to any such appointment; that a property manager conclude a duty of care agreement with the Forster Hall Borrower; that a property manager must manage the Forster Hall Properties to a standard consistent with that of a prudent property manager and that the Forster Hall Borrower terminate the appointment of a defaulting property manager if so permitted and requested by the Lenders. Rentals collected by the Forster Hall Property Manager are to be paid into a secured client account of the Forster Hall Property Manager and transferred to the secured rent account of the Forster Hall Borrower.

Subordinated debt

The Forster Hall Borrower is not permitted to have any financial indebtedness other than subordinated debt which may be owed to the Forster Hall General Partner and the Forster Hall Limited Partners from time to time.

Security package

The security under the Forster Hall Loan comprises:

(a) a legal mortgage encumbering the legal and beneficial title to the Forster Hall Properties;

(b) a fixed charge over certain assets of the Forster Hall Borrower, and other documents relating to the Forster Hall Properties;

(c) an assignment of its rights under certain agreements and interests in rental income, insurances, disposal proceeds and occupational leases; and

(d) a mortgage of shares in Student Hall Nominees Limited.

Description of Tenants

There are 460 tenants. The tenants will be students on Assured Shorthold Tenancies.

Unit Type						
Unit Type	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
445 x Standard en-suite room at £70.00 per week on a 42 week term	774,180	89.2%	774,180	-	-	Not Applicable
32 x Large en-suite room at £72.50 per week on a 42 week term	57,660	6.6%	57,660	-	-	Not Applicable
14 x Deluxe en-suite room at £77.50 per week on a 42 week term	26,966	3.1%	26,966	-	-	Not Applicable
4 x Studio room at £90.00 per week on a 42 week term	8,947	1.0%	8,947	-	-	Not Applicable
Total	**867,753**	**100.0%**	**867,753**	-		
Total Assuming 92.93% occupancy (460 tenancies):	**806,403**		**806,403**			

Financial Covenants

The relevant Credit Agreement provides for the following financial covenants:

(a) the Loan to Value is required to be no greater than 67.5 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement; and

(b) the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Escrow Account

In respect of the Forster Hall Loan, the Forster Hall Borrower has deposited £175,000 in a summer shortfall escrow account. Monies can be withdrawn from the summer shortfall escrow account to pay all amounts of interest due and payable to the lender if there is insufficient rent cover.

The Cut-Off Date balance of the escrow account is £175,795.89.

Alba Gate Portfolio

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	8,198,650
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	0.9%
Maturity Securitised Principal Balance (£):	7,580,650
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 17th of each January, April, July and October commencing on 17 January 2007
Loan Purpose:	Acquisition & Refinance
Interest Rate:	Fixed
All-in Securitised Interest Rate:	5.96%
Origination Date:	24 November 2006
Maturity Date:	17 October 2013
Borrower:	Mr Graham Wylie & GW Aviation LLP
Sponsor Name:	Mr Graham Wylie
Interest Calculation:	ACT/365
Amortisation:	See below
Up-Front Reserves (£):	28,026
Cut-Off Date Securitised LTV:	60.8%
Maturity Securitised LTV:	56.2%
Cut-Off Date Securitised ICR:	1.82x
Cut-Off Date Securitised DSCR:	1.43x

Property Information	
Number of Properties:	2
Number of Tenants:	4
Property Type:	Offices
Location:	North East & Scotland
Address:	Gosforth Park Way & Albagate
Property Tenure:	Freehold
Property Management:	Gavin Black and Partners
Net Rent (£):	889,284
Net ERV (£):	937,272
Cost Assumptions:	0.0%
Market Value (£):	13,490,000
Vacant Possession Value (£):	11,300,000
Valuation Date:	24 November 2006
Valuer:	Knight Frank & Drivers Jonas

Amortisation (£)	
17/04/2007	34,000
17/07/2007	33,000
17/10/2007	32,000
17/01/2008	33,000
17/04/2008	34,000
17/07/2008	35,000
17/10/2008	34,000
17/01/2009	35,000
17/04/2009	38,000
17/07/2009	37,000
17/10/2009	36,000
17/01/2010	18,000
17/04/2010	-
17/07/2010	-
17/10/2010	-
17/01/2011	-
17/04/2011	-
17/07/2011	-
17/10/2011	10,000
17/01/2012	10,000
17/04/2012	11,000
17/07/2012	28,000
17/10/2012	38,000
17/01/2013	39,000
17/04/2013	42,000
17/07/2013	41,000

The Loan

The Loan (the **Alba Gate Portfolio Loan**) was originated by the Seller on 24 November 2006 and is primarily secured by a first legal mortgage encumbering the freehold title interests in property located at Building 1 Gosforth Park Way, Newcastle-upon-Tyne and a Scottish standard security in respect of the property known as Alba Gate, Stoneywood Park, Dyce, Aberdeen (the **Alba Gate Properties**).

The Relevant Borrowers

The Borrowers under the Alba Gate Portfolio Loan are (i) G W Aviation LLP (the **Alba Gate LLP Borrower**), a limited liability partnership incorporated in England on 5 February 2004 with registered number OC306809and whose registered office is at Chester's House, Humshaugh, Hexham, Northumberland, NE46 4EU and (ii) Andrew William Graham Wylie (the **Alba Gate Individual Borrower** and, together with the Alpha Gate LLP Borrower, the **Alba Gate Borrowers**), an individual located at Chester's House, Humshaugh, Hexham, Northumberland NE46 4EU. The Alba Gate LLP Borrower and the Alba Gate Individual Borrower jointly and severally own the Alba Gate Properties. The principal activity of the G W Aviation LLP is to act as a property owning company.

Property management

The Alba Gate Properties are managed by Gavin Black and Partners (the **Alba Gate Property Manager**) on behalf of the Alba Gate Borrowers.

The relevant Credit Agreement contains provisions regarding the appointment and termination of property managers which require the Lenders' consent to any such appointment; that a property manager conclude a duty of care agreement pursuant to which the manager must manage the Alba Gate Properties to a standard consistent with that of a prudent property manager; and that the Alba Gate Borrowers terminate the appointment of a defaulting property manager if so permitted and requested by the Lenders. Rentals collected by the Alba Gate Property Manager are to be paid into a secured client account of the Alba Gate Property Manager and transferred to the secured rent account of the Alba Gate Borrowers.

Subordinated debt

The Alba Gate Borrowers are not permitted to have any other financial indebtedness in respect of the ownership of the Alba Gate Properties other than subordinated debt or trade credit.

Security package

The security under the Alba Gate Portfolio Loan comprises:

(a) a valid standard security and assignation of rents over the Scottish Property;

(b) a first ranking legal mortgage encumbering the title to the English Property;

(c) in respect of the Alba Gate LLP Borrower, an assignment of its rights and interest in rental income, disposal proceeds, occupational leases and insurances;

(d) in respect of the Alba Gate LLP Borrower, a fixed charge over certain other assets including nominated bank accounts, book and other debts, shares and other documents

(e) in respect of the Alba Gate LLP Borrower, a floating charge over all of the its assets from time to time not from time to time mortgaged, charged or assigned

Description of Tenants

There are four tenants. Under the majority of the leases, the rent is subject to upwards only rent reviews.

Tenant(s)						
Tenant(s)	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Apache North Sea Investment	400,000	45.0%	450,000	27,624	A/A3/A-[(1)]	3.1 yrs
Technology Services Group Limited	169,508	19.1%	160,544	11,072	-	12.3 yrs
Parkdean Holidays plc	162,456	18.3%	166,155	11,459	-	7.1 yrs
Home Group Limited	157,320	17.7%	160,573	11,074	-	4.1 yrs
Total	**889,284**	**100.0%**	**937,272**	**61,229**		

(1) Parent Rating – Apache Corp.

Financial Covenants

The relevant Credit Agreement provides for the Interest Cover to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Escrow Account

In respect of the Alba Gate Portfolio Loan, £28,000 has to be paid into an escrow account on each Loan Interest Payment Date until the sum reaches £325,000. Sums can only be released in respect of a property once break options in respect of that property have expired. The amount to be released is the proportionate to the value of that particular property to the other property.

The Cut-Off Date balance of the escrow account is £28,026.08.

St. George Portfolio

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	6,247,500
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	0.7%
Maturity Securitised Principal Balance (£):	6,247,500
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 17th of each January, April, July and October commencing on 17 January 2007
Loan Purpose:	Acquisition
Interest Rate:	Fixed
All-in Securitised Interest Rate:	6.00%
Origination Date:	08 December 2006
Maturity Date:	17 October 2013
Borrower:	SPV St. George Ltd
Sponsor Name:	Gabbay and Shahmoon families
Interest Calculation:	ACT/365
Amortisation:	Bullet
Up-Front Reserves (£):	341,500
Cut-Off Date Securitised LTV:	56.3%
Maturity Securitised LTV:	56.3%
Cut-Off Date Securitised ICR:	1.14x
Cut-Off Date Securitised DSCR:	1.14x

Property Information	
Number of Properties:	2
Number of Tenants:	11
Property Type:	Office & Retail
Location:	London
Address:	30 St George Street and 2 Mill Street
Property Tenure:	Freehold
Property Management:	Strutt and Parker
Net Rent (£):	426,657
Net ERV (£):	580,000
Cost Assumptions:	0.0%
Market Value (£):	11,100,000
Vacant Possession Value (£):	9,500,000
Valuation Date:	05 December 2006
Valuer:	CBRE Richard Ellis

The Loan

The Loan (the **St. George Portfolio Loan**) was originated by the Seller on 8 December 2006 and is primarily secured by a first legal mortgage encumbering freehold title interests in properties located at 2 Mill Street, Hanover Square, London W1 and 30 George Street, London W1 (the **St. George Properties**).

The Relevant Borrower

The Borrower under the St. George Portfolio Loan is a special purpose entity incorporated in the Isle of Man on 23 November 2001 with registered number 0017V as a private company limited by shares (the **St. George Borrower**) The registered office of the St. George Borrower is at 71 Circular Road, Douglas, Isle of Man.

The principal activity of the St. George Borrower is to act as a property investment company. The entire issued share capital of the St. George Borrower is owned by (i) 03 Holdings Limited, a company incorporated in the British Virgin Islands with registered number 1028701; (ii) BDO Fidecs Trust Company Limited as trustee of The Shahmoon Settlement, a trust established on 4 December 2003 under the laws of England and Wales; (iii) BDO Fidecs Trust Company Limited as trustee of The Eli Shahmoon Settlement, a trust established on 8 December 2003 under the laws of England and Wales; and (iv) BDO Fidecs Trust Company Limited as trustee of The Ronnie Shahmoon Settlement, a trust established on 8 December 2003 under the laws of England and Wales..

Property management

The St. George Properties are managed by Strutt & Parker (the **St. George Property Manager**) on behalf of the St. George Borrower.

The loan documents contain provisions regarding the appointment and termination of property managers which require the Lenders' consent to any such appointment; that a property manager conclude a duty of care agreement with the St. George Borrower; that a property manager must manage the St. George Properties to a standard consistent with that of a prudent property manager; and that the St. George Borrower terminate the appointment of a defaulting property manager if so permitted and requested by the Lenders. Rentals collected by the St. George Property Manager are to be paid into a secured client account of the St. George Property Manager and transferred to the secured rent account of the St. George Borrower.

Subordinated debt

The St. George Borrower is not permitted to have any financial indebtedness other than subordinated debt which may be owed to the Shareholders from time to time.

Security package

The security under the St. George Portfolio Loan comprises:

(a) a first legal mortgage over the Properties;

(b) a first fixed charge over the rental income generated by the Properties;

(c) a first floating charge over all of the St. George Borrower's assets and undertakings; and

(d) a first fixed charge over all of the St. George Borrower's shares.

Description of Tenants

There are 11 tenants.

Top 5 Tenants						
Top 5 Tenants	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Supernova Management Limited	83,385	19.5%	124,500	1,915	-	3.6 yrs
MG Leach & AK Jarvis	69,740	16.3%	104,500	1,608	-	3.6 yrs
Christopher Willans, Richard Criss, Peter Short & Robert Rowlands	56,573	13.3%	78,300	1,204	-	3.6 yrs
Christopher James, Girton Allen, Peter William Jacobs	55,320	13.0%	68,600	1,715	-	3.6 yrs
Porterfield Public Relations Ltd	48,880	11.5%	36,100	1,025	-	4.1 yrs
Total (Top 5)	**313,898**	**73.6%**	**412,000**	**7,467**		

Financial Covenants

The relevant Credit Agreement provides for the following financial covenants:

(a) the Loan to Value is required to be no greater than 70 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement;

(b) the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Escrow Account

In respect of the St. George Portfolio Loan, the St. George Borrower has deposited £341,500 into an escrow account of which £31,500 is to be escrowed in respect of certain leases. Monies can be withdrawn from the escrow account to pay all amounts due and payable to the Seller under the St. George Credit Agreement and any other of the St. George Borrower's liabilities in the event that any of the tenants of the St. George Properties defaults on their obligations under their lease with the St. George Borrower.

The Cut-Off Date balance of the escrow account is £341,500.

Amsterdam Place

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	5,582,000
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	0.6%
Maturity Securitised Principal Balance (£):	4,710,000
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 17th of each January, April, July and October commencing on 17 October 2006
Loan Purpose:	Refinance
Interest Rate:	Fixed
All-in Securitised Interest Rate:	5.92%
Origination Date:	24 August 2006
Maturity Date:	17 October 2014
Borrower:	Legislator 1364 Ltd
Sponsor Name:	Norwich Airport Ltd
Interest Calculation:	ACT/365
Amortisation:	See below
Up-Front Reserves (£):	N/A
Cut-Off Date Securitised LTV:	77.0%
Maturity Securitised LTV:	65.0%
Cut-Off Date Securitised ICR:	1.30x
Cut-Off Date Securitised DSCR:	1.01x

Property Information	
Number of Properties:	1
Number of Tenants:	1
Property Type:	Offices
Location:	East of England
Address:	Amsterdam Way, Norwich
Property Tenure:	Freehold
Property Management:	None
Net Rent (£):	430,000
Net ERV (£):	445,000
Cost Assumptions:	0.0%
Market Value (£):	7,250,000
Vacant Possession Value (£):	5,500,000
Valuation Date:	28 July 2006
Valuer:	Bidwells

Amortisation (£)	
17/04/2007	24,000
17/07/2007	24,000
17/10/2007	23,000
17/01/2008	24,000
17/04/2008	25,000
17/07/2008	25,000
17/10/2008	25,000
17/01/2009	25,000
17/04/2009	27,000
17/07/2009	27,000
17/10/2009	26,000
17/01/2010	27,000
17/04/2010	29,000
17/07/2010	28,000
17/10/2010	28,000
17/01/2011	28,000
17/04/2011	31,000
17/07/2011	30,000
17/10/2011	30,000
17/01/2012	30,000
17/04/2012	32,000
17/07/2012	32,000
17/10/2012	32,000
17/01/2013	32,000
17/04/2013	34,000
17/07/2013	34,000
17/10/2013	34,000
17/01/2014	34,000
17/04/2014	36,000
17/07/2014	36,000

The Loan

The Loan (the **Amsterdam Place Loan**) was originated by the Seller on 24 August 2006 and is primarily secured by a legal mortgage over the freehold title interest in respect of Amsterdam Place, Amsterdam Way, Norwich NR6 6AJ (the **Amsterdam Place Property**). The Related Security also benefits from a charge of the shares in the Amsterdam Place Borrower (as defined below) and the assets of the Amsterdam Place Borrower.

The Relevant Borrower

The Borrower under the Amsterdam Place Loan is a special purpose entity incorporated in England and Wales on 25 November 1997 with registered number 03471264 as a private limited company (the **Amsterdam Place Borrower**). The registered office of the Amsterdam Place Borrower is at Holland Court, The Close, Norwich, Norfolk NR1 4DY.

The principal activity of the Amsterdam Place Borrower is to develop, sell and manage real estate. The entire issued share capital of the Amsterdam Place Borrower is owned by Norwich Airport

Limited, a company incorporated in England and Wales on 28 November 1986 with registered number 02078773 and whose registered office is at Norwich Airport, Norwich NR6 6JA.

Property management

Under the terms of the relevant Credit Agreement, the Amsterdam Place Borrower may not appoint any property manager without the prior consent of the Lender.

Subordinated debt

The Amsterdam Place Borrower is not permitted to have any other financial indebtedness other than subordinated shareholder loans.

Security package

The security under the Amsterdam Place Loan comprises:

(a) a legal mortgage over the Amsterdam Place Property and any other freehold or leasehold property vested in the Amsterdam Place Borrower;

(b) a fixed charge over the Amsterdam Place Borrower's interest in any freehold or leasehold property acquired subsequently;

(c) a fixed charge over certain assets of the Amsterdam Place Borrower which relate to the Amsterdam Place Property;

(d) an assignment of rights under certain agreements and its interest in rental income, disposal proceeds, nominated bank accounts and book and other debts;

(e) a floating charge over all the assets, property and undertaking of the Amsterdam Place Borrower; and

(f) a fixed charge over the shares owned by Norwich Airport Limited in the Amsterdam Place Borrower.

Description of Tenants

There is one tenant. The Property is let to The Royal Bank of Scotland plc for a term of 15 years from 10 August 2005, where such lease represents 100 per cent. of the total net rent for the portfolio. The rent is subject to upward only rent review.

The undeveloped land on the east side of Amsterdam Place is let to the same tenant, The Royal Bank of Scotland plc, by way of separate lease for a fixed term of five years from 10 August 2005. The rent is fixed at one peppercorn.

Tenant(s)						
Tenant(s)	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Royal Bank of Scotland plc	430,000	100.0%	445,000	31,801	AA+/Aa1/AA	8.5 yrs
Total	**430,000**	**100.0%**	**445,000**	**31,801**		

Financial Covenants

The relevant Credit Agreement provides for the Interest Cover to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

Apex

Loan Information	
Cut-Off Date Securitised Principal Balance (£):	4,450,500
Cut-Off Date Securitised Principal Balance as percentage of Loan Pool:	0.5%
Maturity Securitised Principal Balance (£):	3,911,500
A/B Structure:	No
Cut-Off Date B Loan Balance (£):	-
Loan Interest Payment Dates:	The 17th of each January, April, July and October commencing on 17 January 2007
Loan Purpose:	Acquisition
Interest Rate:	Fixed
All-in Securitised Interest Rate:	6.44%
Origination Date:	15 December 2006
Maturity Date:	17 April 2014
Borrower:	Harbourne Estates Ltd
Sponsor Name:	Gary Hexley and Jonathan Billinghan
Interest Calculation:	ACT/365
Amortisation:	See below
Up-Front Reserves (£):	N/A
Cut-Off Date Securitised LTV:	83.7%
Maturity Securitised LTV:	73.5%
Cut-Off Date Securitised ICR:	1.23x
Cut-Off Date Securitised DSCR:	1.01x

Property Information	
Number of Properties:	1
Number of Tenants:	2
Property Type:	Offices
Location:	West Midlands
Address:	The Apex, Harborne Road
Property Tenure:	Leasehold
Property Management:	Lawrence and Wightman
Net Rent (£):	352,587
Net ERV (£):	315,782
Cost Assumptions:	0.3%
Market Value (£):	5,320,000
Vacant Possession Value (£):	3,955,000
Valuation Date:	21 November 2006
Valuer:	Lambert Smith Hampton

Amortisation (£)	
17/04/2007	16,000
17/07/2007	16,000
17/10/2007	15,000
17/01/2008	16,000
17/04/2008	17,000
17/07/2008	17,000
17/10/2008	17,000
17/01/2009	15,000
17/04/2009	20,000
17/07/2009	19,000
17/10/2009	16,000
17/01/2010	18,000
17/04/2010	20,000
17/07/2010	19,000
17/10/2010	19,000
17/01/2011	20,000
17/04/2011	20,000
17/07/2011	20,000
17/10/2011	21,000
17/01/2012	20,000
17/04/2012	21,000
17/07/2012	22,000
17/10/2012	21,000
17/01/2013	22,000
17/04/2013	23,000
17/07/2013	23,000
17/10/2013	23,000
17/01/2014	23,000

The Loan

The Loan (the **Apex Loan**) was originated by the Seller on 15 December 2006 and is primarily secured by a first legal mortgage encumbering leasehold title interests in property located at Units 5-6, The Apex, Harbourne Road, Edgbaston, Birmingham (the **Apex Property**).

The Relevant Borrower

The Borrower under the Apex Loan, is Harbourne Estates Limited, a special purpose entity incorporated in the Isle of Man (the **Apex Borrower**). The registered office of the Apex Borrower is at 35 North Quay, Douglas IM1 4LB, UK. The entire share capital of the Apex Borrower is owned by Remax Harborne Limited (the **Apex Property Owner**), the share capital of which is owned Taitnys Nominees Limited, a company incorporated in the British Virgin Islands with company number 473379 whose registered office is at Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands on trust for the beneficial shareholders.

Property management

The Apex Property is managed by Lawrence and Wightman (the **Apex Property Manager**) on behalf of the Apex Borrower pursuant to a management agreement (the **Apex Management Agreement**).

Pursuant to the relevant Credit Agreement, the Apex Property Manager has entered into a duty of care agreement pursuant to which it must maintain the Apex Property to the standard consistent with that of a prudent property manager.

Subordinated debt

There is a loan facility in the maximum principal amount of £850,000 from Greenfield International Property Fund plc to the Apex Borrower. This loan is subordinated to the Apex Loan in full and subject to a deed of subordination dated 21 December 2006.

Security package

The security under the Apex Loan comprises:

(a) a first ranking legal mortgage encumbering all interests in the Apex Property;

(b) a first ranking fixed charge over all the assets of the Apex Property Owner including rental income;

(c) a shares charge over the shares in the Apex Property Owner;

(d) Isle of Man shares charge over the shares in the Borrower from the Shareholder and Beneficial Shareholders;

(e) an arrangement of rights under certain agreements, including its interest in rental income; and

(f) a subordination agreement to subordinate any shareholder loans.

Description of Tenants

There are two tenants, Lombard North Central plc and The Royal London Mutual Insurance Society Limited who each hold occupational leases. Under these leases the rent is subject to five-yearly upwards only rent reviews.

Tenant(s)						
Tenant(s)	**Net Rent (£)**	**Net Rent**	**Net ERV (£)**	**Area (sq ft)**	**Rating (F/M/S)**	**WA Lease Break/Expiry**
Lombard North Central Plc	217,835	61.8%	189,595	10,563	AA+/Aa1/AA[(1)]	8.8 yrs
The Royal London Mutual Insurance Society Ltd	134,752	38.2%	126,187	7,032	A-/A2/A-	8.8 yrs
Total	**352,587**	**100.0%**	**315,782**	**17,595**		

[(1)] Parent Rating – National Westminster Bank Plc.

Financial Covenants

The relevant Agreement provides for the following financial covenants:

(a) the Loan to Value is required to be no greater than 87.5 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement; and

(b) the Interest Cover is required to be no less than 110 per cent. Breach of this requirement constitutes an event of default under the relevant Credit Agreement.

TRANSACTION DOCUMENTS

1. Loan Sale Documents

Consideration

Pursuant to the terms of a loan sale agreement to be entered into by the Issuer, the Seller and the Trustee (the **Loan Sale Agreement**), the Seller will sell and the Issuer will purchase the Loans and the Seller will novate to the Issuer all its interests as Lender (including, in respect of the Adelphi Revolver Loan and the GLP Revolver Loan, the commitment to lend) under the Finance Documents (other than the Security Trusts), the Intercreditor Agreements, (to the extent it relates to the Agora Max Portfolio Loan) the Agora Max Intercreditor Agreement and (to the extent it relates to the G-res 1 Portfolio Loan) the G-res 1 Portfolio Intercreditor Agreement. The Seller will additionally assign and transfer to the Issuer its beneficial interests in the Security Trusts created over the Loan Security on the Closing Date. Consequently, as and from the Closing Date, the Issuer will be a Lender under the Credit Agreements.

The initial purchase consideration payable on the Closing Date by the Issuer to the Seller pursuant to the Loan Sale Agreement will be approximately £894,431,744.

On each Interest Payment Date prior to service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full and on any Business Day after the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Issuer will pay to the Seller or its assignee, to the extent that the Issuer has funds, an amount by way of deferred consideration for the purchase of the Loans and the Loan Security (the **Deferred Consideration**). The Deferred Consideration will be paid in accordance with the applicable Priority of Payments and may be assigned, in whole or in part, by the Seller to a third party. The Deferred Consideration will be made up of:

(a) Excess Interest Rate Swap Breakage Receipts;

(b) any Excess Break Costs; and

(c) in respect of the Interest Payment Date falling in April 2007 only, an amount equal to the Initial Deferred Consideration.

The **Initial Deferred Consideration** means an amount equal to the excess (if any) of Expected Class X Interest Amount in respect of the Interest Payment Date falling in April 2007 (disregarding for such purposes the Class X Initial Cap) over the Class X Initial Cap.

Registration and Legal Title

Within 15 Business Days of the Closing Date, written notice will be given by the Seller to each Obligor of the transfer of the Loans to the Issuer and written notice will be given to the Relevant Security Agent of the assignment of the Seller's beneficial interests in the Security Trusts to the Issuer and the Issuer's assignment by way of security of such beneficial interest to the Trustee.

Representations and Warranties

Neither the Issuer nor the Trustee has made (or will make) any of the enquiries, searches or investigations which a prudent purchaser would normally make in relation to the purchase of the Loans or the Loan Security. In addition, neither the Issuer nor the Trustee has made (or will make) any enquiry, search or investigation at any time in relation to compliance by any party with respect to

the provisions of the Loan Sale Agreement, the Credit Agreements or any other Finance Documents or in relation to any applicable laws or the execution, legality, validity, perfection, adequacy or enforceability of the Loans or the Loan Security.

In relation to all of the foregoing matters concerning the Loans and the Loan Security and the circumstances in which the Loans were made to the Borrowers prior to the transfer of the Loans to the Issuer, both the Issuer and the Trustee will rely entirely on the representations and warranties to be given by the Seller to the Issuer and the Trustee which are contained in the Loan Sale Agreement.

Subject to the agreed exceptions, materiality qualifications and, where relevant, the general principles of law limiting the same, the representations and warranties to be given by the Seller under the Loan Sale Agreement will include, with respect to each Loan:

(a) The obligations of the relevant Obligors under the Finance Documents constitute the legally valid and binding obligations of, and are enforceable against, the relevant Obligors.

(b) (i) The charges by way of legal mortgage, charge or standard security, as applicable, in respect of the Properties granted under the relevant Security Agreements constitute legally valid, binding, subsisting and enforceable first priority mortgages of the relevant Properties.

(ii) The fixed charges in respect of the Properties granted under the relevant Security Agreements constitute legally valid, binding, subsisting and enforceable first priority fixed charges of the relevant Properties (subject to any prior-ranking Security Interests required by law and to the mortgages referred to in **paragraph (b)(i)** above, but not otherwise) (a **Security Interest** being any mortgage, standard security, sub-standard security, pledge (including any pledge operating by law), lien, charge, assignment, or security interest or other agreement or arrangement having the effect of conferring security and **Security Interests** shall be construed accordingly).

(c) The Relevant Security Agent has (in respect of the Agora Max Portfolio Loan, to the best of the Seller's knowledge and belief), since the utilisation date in respect of each Loan, kept or caused to be kept full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to the Loans and which are complete and accurate in all material respects. All such accounts, books and records are up to date as at the Closing Date and are held by or to the order of the Relevant Security Agent.

(d) The relevant Chargor (in respect of the Agora Max Portfolio Loan, to the best of the Seller's knowledge and belief) is the legal and/or beneficial owner of each relevant Property and had, subject to matters disclosed in the Certificate of Title and/or Report on Title in respect of each Property, a good and marketable title to the relevant Property, in each case as at the date of the relevant Security Agreement or at the date the relevant property became subject to the security in the relevant Security Agreement.

(e) Each Property was (in respect of the Agora Max Portfolio Loan, to the best of the Seller's knowledge and belief), as at the date of the relevant Security Agreement or at the date the relevant Property became subject to the security in the relevant Security Agreement, held by the relevant Chargor free (save for any Related Security, and, in the case of the Apex Loan, save for the subordinated security in favour of Greenfield International Property Fund plc) from:

(i) financial encumbrances (save for pre-existing charges released on the Utilisation Date) which would rank prior to the Related Security, save as disclosed in the relevant Certificate of Title and/or Report on Title; and

(ii) any encumbrances which would individually or in the aggregate materially or adversely affect the Chargor's title or the value of that Property for mortgage purposes set out in the Valuation (including any encumbrance contained in any Lease Documents relevant to such Properties), save as disclosed in the relevant Certificate of Title and/or Report on Title.

(f) The Relevant Security Agent is (in respect of the Agora Max Portfolio Loan, to the best of the Seller's knowledge and belief) the sole legal owner and the Seller a beneficiary of the security trusts (in each case subject to the interest of the Finance Parties and any necessary registrations) of each legal mortgage, or charge or standard security granted under the Security Agreements, free and clear of all encumbrances, overriding interests (other than those to which each Property is subject), claims and equities (other than, in respect of the Apex Loan, in relation to the subordinated security in favour of Greenfield International Property Fund plc) and, save as disclosed in the relevant Certificate of Title and/or Report on Title obtained by the Seller, at the time of completion of the relevant mortgage or charge, there were no adverse entries of encumbrances or applications for adverse entries of encumbrances against any title at the Land Registry or the equivalent in respect of Properties located in Scotland to any relevant Property which would rank prior to the Relevant Security Agent's or the Seller's interests in the relevant mortgage, or charge or standard security.

(g) In respect of the G-res 1 Portfolio Loan, the Seller has obtained title insurance in respect of the Properties in respect of which it did not review a Certificate of Title and the Seller is entitled to transfer its interests in such title insurance to the Issuer.

(h) The Seller is entitled to transfer and assign its interests in the Loans and the Loan Security and its other rights as Lender to the Issuer under the Finance Documents and also at law.

(i) Prior to the utilisation date in relation to each Loan (other than in respect of the Agora Max Portfolio Loan):

(i) the Seller commissioned a due diligence procedure which initially or after further investigation disclosed nothing which would cause a reasonably prudent lender of money secured on commercial property to decline to proceed with the making of that Loan on the terms of the relevant Credit Agreement;

(ii) the Seller (having made all enquiries that would be made by a reasonably prudent lender of money secured on commercial property) was not aware of any matter or item affecting the title of the relevant Chargor to any part of the Related Security which would cause a reasonably prudent lender of money secured on commercial property to decline to proceed with the making of that Loan on the terms of the relevant Credit Agreement;

(iii) the Seller made available a draft certificate of title and/or a draft report on title substantially in the form of the relevant Certificates of Title and the Reports on Title to the Valuer (in respect of the G-res 1 Portfolio Loan, to the extent that the Seller obtained Certificates of Title and/or Reports on Title); and

(iv) the Seller obtained the Certificates of Title or Reports on Title, none of which showed any adverse entries, or, if any such report did reveal any adverse entry, such entry

would not cause a reasonably prudent lender of money secured on commercial property to decline to proceed with the making of that Loan on the terms of the relevant Credit Agreement (in respect of the G-res 1 Portfolio Loan, to the extent that the Seller obtained Certificates of Title and/or Reports on Title).

(j) In respect of the Agora Max Portfolio Loan, prior to purchasing the Agora Max Portfolio Loan, the Seller and its advisers reviewed the due diligence reports, Certificates of Title and Reports on Title prepared in respect of the origination of the Agora Max Portfolio Loan and such reviews disclosed nothing which would cause a reasonably prudent lender of money secured on commercial property to decline to proceed with the making of the Agora Max Portfolio Loan on the terms of the relevant Credit Agreement and the Agora Max Intercreditor Agreement.

(k) Immediately prior to advancing each Loan (other than any GLP Revolver Loan or any Adelphi Revolver Loan) (other than in respect of the Agora Max Portfolio Loan), the relevant Property or Properties charged as Related Security were valued for the Seller or (in respect of the Agora Max Portfolio Loan) HBOS by a qualified surveyor or valuer.

(l) Prior to the utilisation date in relation to each Loan (other than any GLP Revolver Loan or any Adelphi Revolver Loan) (other than in respect of the Agora Max Portfolio Loan), when advised by the Valuer that an environmental report was required, an environmental consultant conducted an environmental survey of the relevant Property or Properties. The results of such environmental survey would, as at the relevant utilisation date, have been acceptable to a reasonably prudent lender of money secured on commercial property and have been taken into account in the preparation of the Valuation.

(m) To the best of the knowledge and belief of the Seller:

(i) (having made no investigation of the relevant title) the Valuation was not negligently or fraudulently undertaken by the Valuer; and

(ii) (as a commercial lender only and not, for the avoidance of doubt, as a valuer) the Valuation did not fail to disclose any fact or circumstance that if disclosed would have caused the Seller, acting as a reasonably prudent lender of money secured on commercial property, to decline to advance any Loan on the terms of the relevant Credit Agreement.

(n) The Seller is not aware (from any information received by it in the course of administering or acquiring the Loans without further inquiry) of any circumstances giving rise to a material reduction in the value of any Property since the relevant utilisation date (other than market forces affecting the values of properties comparable to the relevant Property in the area where the relevant Property is located).

(o) To the best of the knowledge and belief of the Seller (having made no investigation of the relevant title) no Certificate of Title or Report on Title was negligently or fraudulently prepared by the solicitors who prepared the same.

(p) To the best of the knowledge and belief of the Seller, having used reasonable endeavours to ensure the same, each of the Properties is insured as required by the terms of the relevant Credit Agreement.

(q) The Seller has not received and (so far as the Seller is aware) each Security Agent has not received written notice that any Insurance Policy is about to lapse on account of the failure by the relevant entity maintaining such insurance to pay the relevant premiums.

(r) The Seller is not aware or, in respect of the Agora Max Portfolio Loan, has not received written notice of any material outstanding claim in respect of any Insurance Policy.

(s) The Seller has performed in all material respects all of its obligations (other than its obligation to lend under either of the GLP Revolving Credit Facility or the rent liquidity facility in respect of the Adelphi Revolver Loan) under or in connection with the Loans, and the Seller has not received notice that any Obligor has taken or has threatened to take any action against the Seller or the Relevant Security Agent for any material failure on the part of the Seller or the Relevant Security Agent to perform any such obligations.

(t) There is no monetary default, breach or violation under any Loan and the Seller is not aware of or, in respect of the Agora Max Portfolio Loan, has not received written notice of:

(i) any other default, breach or violation that materially and adversely affects the value of any Loan or its Related Security which has not been remedied, cured or waived (but only in a case where a reasonably prudent lender of money secured on commercial property would grant such a waiver);

(ii) any outstanding default, breach or violation by any Relevant Borrower under the relevant Loan or its Related Security that materially and adversely affects the value of any Loan or its Related Security; or

(iii) any outstanding event which, with the giving of notice or lapse of any applicable grace period, would constitute such a default, breach or violation that materially and adversely affects the value of any Loan or its Related Security.

(u) Neither the Seller nor the Relevant Security Agent (so far as the Seller is aware from information which it has received in the course of administering or acquiring an interest in the Loans but without having made any specific or other enquiry) has received written notice of any default or forfeiture of any Lease or of the insolvency of any Tenant of any Property which would, in any case, in the reasonable opinion of the Seller, render any Property unacceptable as security for the relevant Loan.

(v) In respect of any Property (in respect of the Agora Max Portfolio Loan, to the best of the Seller's knowledge and belief), the relevant Obligor's title to which is leasehold, the terms of the relevant Leases are such that a reasonably prudent lender of money secured on commercial property would regard them as suitable for the purposes of forming part of the security for a loan of the nature of the Loan relating to such Property.

(w) As at the Closing Date (in respect of the Agora Max Portfolio Loan, to the best of the Seller's knowledge and belief):

(i) any requisite consent of the landlord under any headlease and within a reasonable time from the Closing Date, any required notice to the landlord of the creation of the relevant Related Security has been obtained or given and placed with the title deeds;

(ii) no headleases contain any provision whereby they may be forfeited on bankruptcy or liquidation of the lessee or on any other ground except breach of covenant of the Tenant's obligations or the non-payment of rent by the lessee;

(iii) all other terms of any headlease are such that, in light of all of the circumstances pertaining to the relevant Loan and its Related Security, a reasonably prudent lender of money secured on commercial property would regard such terms as acceptable for the purposes of comprising security for the relevant Loan; and

(iv) the Seller has not received written notice of any material breaches of any headlease which have occurred or which remain unremedied.

The representations and warranties given by the Seller in connection with the Loans and the Loan Security under the Loan Sale Agreement are referred to as the **Loan Warranties**.

Remedy for Material Breach of Loan Warranty

In the event of a Material Breach of Loan Warranty (as defined below), the Seller will be required, within 90 days of receipt of written notice of the relevant Material Breach of Loan Warranty from or on behalf of the Issuer or the Trustee, to remedy the matter giving rise to such breach of representation or warranty to the Trustee's satisfaction, if such matter is capable of remedy. In certain circumstances, the Seller may have an additional period, of up to 90 days, to cure the breach if the Seller has taken action to cure the breach or nonconformity acceptable in the reasonable opinion of the Relevant Servicer (as agent of the Issuer) and the Trustee, prior to the expiry of the initial 90 day period.

Material Breach of Loan Warranty means a breach of a Loan Warranty in any material respect in respect of a particular Loan where the facts and circumstances giving rise to that breach have, in the sole opinion of the Trustee, a material adverse effect on the value of the Loan and/or the Loan Security or the interests of the Noteholders. The Relevant Servicer will be required pursuant to the Servicing Agreement to notify the Issuer, the Trustee and the Seller if it knows or otherwise becomes aware of a breach of Loan Warranty.

If a Material Breach of Loan Warranty is not capable of remedy or is not remedied within the specified period, the Seller will (prior to the completion of enforcement of the Related Security) be required to repurchase all of the relevant Loan (and its Related Security) on a date not later than the second Interest Payment Date following the demand. The consideration payable in these circumstances will be an amount equal to the principal balance of the relevant Loan then outstanding (or if the Material Breach of Loan Warranty related to the principal balance outstanding of the Loan at the Cut-Off Date the consideration payable will be the higher of (a) the principal balance of the relevant Loan then outstanding or (b) the represented principal balance of the Loan at the Cut-Off Date less any principal amounts received by the Issuer in respect of such Loan) plus in all cases any accrued but unpaid interest thereon up to and including the date of repurchase or, if such date is not an Interest Payment Date and an Acceleration Notice has not been served or the Notes have not otherwise become due and repayable in full, the immediately following Interest Payment Date together with any additional costs and expenses incurred by the Issuer in respect of such Loan excluding any Liquidation Fee or Restructuring Fees paid or payable in respect of the Relevant Loan (including any swap termination payments due to the Interest Rate Swap Provider arising as a result of the repurchase), and any amounts advanced by or on behalf of the Issuer in respect of the relevant Loan as a Loan Protection Advance to the extent such amounts have not been capitalised as outstanding principal of the relevant Loan or recovered from the Relevant Borrower.

If there is a relevant Material Breach of Loan Warranty in respect of either the Greater London Portfolio Loans or the either of the Adelphi Loans, then the Seller will be required to repurchase both the Greater London Portfolio Loans or both the Adelphi Loans, as applicable, and to accept a retransfer to it of the commitment to lend under the GLP Revolving Credit Facility and the rent liquidity facility in respect of the Adelphi Revolver Loan.

Governing law

The Loan Sale Agreement will be governed by English law.

2. Liquidity Facility Agreement

General

On or before the Closing Date, the Issuer will enter into a liquidity facility agreement (the **Liquidity Facility Agreement**) with the Liquidity Facility Provider, the Cash Manager and the Trustee pursuant to which the Liquidity Facility Provider will provide a renewable 364-day committed liquidity facility (the **Liquidity Facility**) to the Issuer. The Liquidity Facility will, subject to certain conditions, be available to be drawn by or on behalf of the Issuer where a Relevant Borrower fails to make a payment of scheduled interest in respect of a Loan. The Liquidity Facility will also, subject to certain conditions, be available to be drawn by or on behalf of the Issuer to make Loan Protection Advances, and payments in respect of Revenue Priority Amounts. The Liquidity Facility committed amount will be for an initial amount of £50,000,000 and will with respect to each Interest Period decrease as the outstanding principal balance of the Loans decreases in accordance with the terms of the Liquidity Facility Agreement, but at all times will be an amount equal to the lower of £50,000,000 and 9 per cent. of the outstanding principal balance of the Loans, or such lower amount as the Rating Agencies confirm will not adversely affect the then current ratings (if any) of any Class of Notes.

Loan Income Deficiency Drawings

The Borrowers are required to pay scheduled amounts of interest and/or principal under the terms of the relevant Credit Agreement. In the event that there is a shortfall in the amount of scheduled interest paid by a Borrower on any Loan Interest Payment Date, the Master Servicer will notify the Cash Manager of such shortfall and upon receipt of such notice, the Cash Manager must prior to a Liquidity Facility Event of Default make a drawing under the Liquidity Facility on behalf of the Issuer in an amount equal to such shortfall in respect of scheduled interest under any of the Loans (each such drawing, a **Loan Income Deficiency Drawing**). The aggregate amount of Loan Income Deficiency Drawings and Loan Protection Drawings (as defined below) in respect of a specific Loan may not exceed 40 per cent. of the outstanding principal balance of the Loan or if at any time an Appraisal Reduction has occurred in respect of that Loan, 40 per cent. of 90 per cent. of the appraisal value of the relevant Properties (each such amount, a **Maximum Loan Drawing Amount**). The proceeds of any Loan Income Deficiency Drawing will be credited to the Transaction Account and will form part of the Adjusted Available Issuer Income. The Issuer will not be permitted to make a drawing under the Liquidity Facility should a Borrower fail to make any scheduled payments of principal under a Loan.

Available Issuer Income will comprise:

(a) all monies (other than Prepayment Fees, Break Costs and principal (save to the extent that such principal represents any amount to be paid to the Special Servicer as a Liquidation Fee)) to be paid to the Issuer under or in respect of the Credit Agreements less the amount of any expected shortfall in such amount as notified by the Master Servicer or the Special Servicer, as the case may be, to the Cash Manager;

(b) in respect of an Interest Payment Date, any interest accrued upon the Transaction Account, the Class X Principal Account, the Administrative Costs Reserve Account and the Liquidity Stand-by Account and paid into the Transaction Account, the Class X Principal Account, the Administrative Costs Reserve Account or the Liquidity Stand-by Account, as applicable, together with the interest element of the proceeds of any Eligible Investments or other

investments made by or on behalf of the Issuer out of amounts standing to the credit of the Transaction Account, the Class X Principal Account, the Administrative Costs Reserve Account or the Liquidity Stand-by Account and paid into the Transaction Account in each case received since the immediately preceding Interest Payment Date; and

(c) Available Interest Rate Swap Breakage Receipts.

Available Issuer Principal means, in respect of any Calculation Date, the aggregate of (i) Available Pro Rata Principal (as defined below) and (ii) Available Sequential Principal (as defined below) as at that Calculation Date.

Loan Protection Drawing

If the relevant Credit Agreement permits the Lender or the Relevant Security Agent to make any third party payments on behalf of the Borrower and requires the Borrower to reimburse the Lender or, as the case may be, the Relevant Security Agent and on any Business Day prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Master Servicer or the Special Servicer, as the case may be, determines in accordance with the Servicing Agreement and the relevant Credit Agreement, that the Issuer should make a Loan Protection Advance to a Borrower (after the Relevant Servicer has (as agent of the Issuer and the Relevant Security Agent and to the extent permitted by the relevant Credit Agreement) utilised any amounts standing to the credit of the relevant Rent Account and has determined that there are insufficient amounts for such purpose standing to the credit of the relevant Rent Account), the Master Servicer or the Special Servicer, as the case may be, shall so notify the Cash Manager and the Cash Manager will, prior to a Liquidity Facility Event of Default, request on behalf of the Issuer a drawing under the Liquidity Facility in an amount equal to the Loan Protection Advance (each such drawing, a **Loan Protection Drawing**). The proceeds of the Loan Protection Drawing will be credited to the Transaction Account or otherwise paid directly to any third parties in respect of which the Loan Protection Advance is to be made and in each case applied by the Cash Manager at the direction of the Master Servicer or the Special Servicer, as applicable, on behalf of the Issuer in making the Loan Protection Advance in accordance with the Servicing Agreement and the relevant Credit Agreement. If insufficient funds are available under the Liquidity Facility to make the relevant Loan Protection Advance then the shortfall in a Loan Protection Advance may be funded by the Relevant Servicer (in its sole discretion) or, if such Loan Protection Advance is to be made on an Interest Payment Date from Adjusted Available Issuer Income in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post-Enforcement/Pre-Acceleration Priority of Payments, as applicable.

Revenue Priority Amount Drawings

If on any Business Day prior to delivery of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Cash Manager on behalf of the Issuer determines that there is a shortfall in the Available Issuer Income that can be applied on behalf of the Issuer to pay:

(a) (prior to enforcement of the Issuer Security) certain expenses due to third parties that are not Issuer Secured Creditors incurred by the Issuer in the ordinary course of its business, including the Issuer's liability, if any, to taxation; and

(b) any periodic payments due pursuant to the Interest Rate Swap Agreement,

together the **Revenue Priority Amounts**, the Cash Manager shall on the next Business Day and prior to a Liquidity Facility Event of Default make a request on behalf of the Issuer for a revenue priority amount drawing under the Liquidity Facility Agreement in an amount equal to such shortfall (each such drawing, a **Revenue Priority Amount Drawing**). The proceeds of any Revenue Priority

Amount Drawing will be applied in satisfaction of such Revenue Priority Amounts or credited to the Transaction Account, and applied by the Cash Manager on behalf of the Issuer in making payment of such Revenue Priority Amounts.

Expenses Drawings

If either (a) the Cash Manager determines on a Calculation Date that there is a shortfall (after taking into account other funds then available or required to be drawn under the Liquidity Facility Agreement) in the amount available on that Calculation Date to enable the Issuer to make payment in full of the amounts referred to in items (a) to (d) and (p) (inclusive) of the relevant Pre-Acceleration Revenue Priority of Payments and items (a) to (d)(i) (inclusive) of the Pre-Acceleration Revenue Priority of Payments as incorporated into the Post-Enforcement/Pre-Acceleration Priority of Payments or (b) after any Calculation Date, the Issuer becomes liable to pay any Senior Administrative Costs not already taken into account in the calculation of the Class X Interest Amount determined for the following Interest Period (in either case an **Administrative Costs Shortfall**), then the Issuer (or the Cash Manager on its behalf) must (provided that no Liquidity Facility Event of Default has occurred or is continuing) make a drawing under the Liquidity Facility Agreement in an amount equal to the relevant shortfall or unanticipated cost, as applicable, (disregarding for the purposes of the calculation of that shortfall item (p) of the Pre-Acceleration Revenue Priority of Payments) less the then balance of the Administrative Costs Reserve Account (each such drawing, an **Expenses Drawing**). The maximum amount available to be drawn and outstanding by way of Expenses Drawing at any time will be £50,000. The proceeds of any Expenses Drawing will be credited to the Transaction Account and will form part of Available Issuer Income.

Appraisal Reductions

Subject to the provisions described in the following paragraph, the Special Servicer must, not later than 30 days after the occurrence of a Special Servicing Event, if the relevant Loan Event of Default is continuing, obtain a valuation or, in the case of the Agora Max Portfolio Loan, procure that the Relevant Security Agent obtains a valuation in respect of the relevant Property. The costs of obtaining such valuation will be paid by the Special Servicer subject to being reimbursed by the Issuer in accordance with the terms of the Servicing Agreement and subject to the Pre-Acceleration Revenue Priority of Payments, the Post-Enforcement/Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments, as the case may be.

The Special Servicer will not be obliged to obtain such a valuation if a valuation has been obtained during the immediately preceding 12 months and the Relevant Servicer is of the opinion (without any liability on its part) that neither the relevant Properties nor the relevant property markets have experienced any material change since the date of such previous valuation.

If the principal amount of the relevant Loan then outstanding (together with any unpaid interest, all currently due and unpaid taxes and assessments) (net of any amount placed into an escrow account in respect of such items), insurance premiums and if applicable, ground rents in respect of the relevant Properties exceeds the sum of 90 per cent. of the appraised value of the relevant Properties as determined by the Valuation, an appraisal reduction will be deemed to have occurred (an **Appraisal Reduction**) and the aggregate amount of Loan Income Deficiency Drawings and Loan Protection Drawings in respect of the relevant Loan may not exceed 40 per cent. of 90 per cent. of the appraisal value of the relevant Properties in respect of that Loan in accordance with the terms of the Liquidity Facility Agreement.

Liquidity Stand-by Drawings

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

(a) the rating of the Liquidity Facility Provider falls below the Liquidity Requisite Ratings; or

(b) the Liquidity Facility Provider refuses to renew the Liquidity Facility,

then the Issuer may find an alternative liquidity facility provider or may require the Liquidity Facility Provider to pay an amount equal to its undrawn commitment under the Liquidity Facility Agreement (a **Liquidity Stand-by Drawing**) into an account solely for that purpose maintained with the Account Bank (such account, the **Liquidity Stand-by Account**). If the Liquidity Facility Provider is required to advance a Liquidity Stand-by Drawing to the Issuer, if it is so requested by or on behalf of the Issuer or if it so chooses, the Liquidity Facility Provider shall, at its own expense, transfer the facility to, or replace it with, a new liquidity facility provider. In the event that the Cash Manager, on behalf of the Issuer, makes a Liquidity Stand-by Drawing, the Cash Manager will be required, prior to the expenditure of the proceeds of such drawing as described above, to invest such funds in Eligible Investments. Amounts standing to the credit of the Liquidity Stand-by Account will be available to the Issuer prior to the delivery of an Acceleration Notice or the Notes otherwise becoming due and repayable in full for the purposes of making deemed Loan Protection Drawings, Loan Income Deficiency Drawings, Expenses Drawings and Revenue Priority Amount Drawings as described above and in accordance with the terms of the Liquidity Facility Agreement. Following (a) the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, (b) the rating of the Liquidity Facility Provider ceasing to be below the Liquidity Requisite Ratings or (c) certain events of default under the Liquidity Facility Agreement, principal amounts standing to the credit of the Liquidity Stand-by Account in respect of a Liquidity Stand-by Drawing will be returned to the Liquidity Facility Provider and will not be applied in accordance with any of the Priority of Payments. If and to the extent that there is a reduction in the Liquidity Facility committed amount, there will be a *pro rata* repayment of amounts standing to the credit of the Liquidity Stand-by Account.

For these purposes:

Liquidity Requisite Ratings means a rating for a bank of at least "F1" (or better) by Fitch, "P-1" (or better) by Moody's, "A-1+" (or better) by S&P and either "R-1 (middle)" (or better) by DBRS or, if not rated by DBRS then the equivalent rating by at least two internationally recognised statistical rating organisations, for that bank's short-term unsecured, unsubordinated and unguaranteed debt obligations; and

Eligible Investments means (a) sterling denominated government securities or (b) sterling 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 and the short-term unsecured, unguaranteed and unsubordinated debt obligations 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 "P-1" (short term) by Moody's, "F1+" by Fitch, "A-1+" by S&P and either "R-1 (middle)" by DBRS or, if not rated by DBRS then the equivalent rating by at least two internationally recognised statistical rating organisations, (or in the case of longer dated securities "Aaa" (long term) by Moody's, "AAA" by Fitch and "AAA" by S&P) or are otherwise acceptable to the Rating Agencies and where the proceeds receivable in accordance with the terms of such an Eligible Investment upon its maturity is no less than the sum so invested or deposited.

Repayment of drawings

All payments due to the Liquidity Facility Provider 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. **Liquidity Subordinated Amounts** are any amounts in respect of (a)

increased costs, mandatory costs and tax gross up amounts payable to the Liquidity Facility Provider to the extent that such amounts exceed 0.125 per cent. per annum of the commitment provided under the Liquidity Facility Agreement and (b) if there is any Liquidity Stand-by Drawing then outstanding, the excess of the interest then payable in respect thereof over the aggregate of (i) an amount equal to the commitment fee which would otherwise then be payable (but for the Liquidity Stand-by Drawing) under the Liquidity Facility Agreement and (ii) an amount equal to the amount of interest earned in the relevant period in respect of the Liquidity Stand-by Account and the interest element of any proceeds of any Eligible Investments made out of amounts standing to the credit of the Liquidity Stand-by Account.

The Issuer will repay any Loan Protection Drawing, Expenses Drawing and Revenue Priority Amount Drawing under the Liquidity Facility on the Interest Payment Date immediately following the date on which such drawing was made, or if earlier on the Liquidity Facility Term Date or the Final Maturity Date. The Issuer must repay any Loan Income Deficiency Drawing on the earlier of: (i) the Interest Payment Date immediately following the date on which the Issuer receives amounts representing overdue amounts of scheduled interest on the relevant Loan, as applicable after having first accounted for any scheduled interest due on that day; (ii) the receipt of proceeds of any enforcement in respect of a Loan and/or sale of a relevant Property, where there has not been any substitution in respect of such Property and (iii) the Liquidity Facility Term Date or the Final Maturity Date.

In the event that such **Liquidity Drawings**, being, as the context requires, a Revenue Priority Amount Drawing, a Loan Income Deficiency Drawing, a Loan Protection Drawing, an Expenses Drawing and/or a Liquidity Stand-by Drawing are not repaid on the relevant due date the amount outstanding under the Liquidity Facility will be deemed to be repaid (but only for the purposes of the Liquidity Facility) and redrawn on the relevant day in an amount equal to the amount outstanding subject to no events of default under the Liquidity Facility Agreement being outstanding or resulting from the redrawing. The procedure will be repeated on each Interest Payment Date or other due date thereafter, as applicable, up to the amount of the Liquidity Facility Commitment until all amounts outstanding under the Liquidity Facility are paid and/or repaid.

The Issuer will pay interest on Loan Income Deficiency Drawings, Loan Protection Drawings, Expenses Drawings and Revenue Priority Amount Drawings at a rate equal to LIBOR (as determined under the Notes) plus a specified margin. The Issuer will pay interest on any Liquidity Stand-by Drawings at an amount equal to the commitment fee under the Liquidity Facility Agreement that would be paid had the Liquidity Stand-by Drawing not been made plus an amount equal to any interest earned on amounts standing to the credit of the Liquidity Stand-by Account following the date of the Liquidity Stand-by Drawing and the interest element of any proceeds of any Eligible Investments made out of amounts standing to the credit of the Liquidity Stand-by Account.

Governing law

The Liquidity Facility Agreement will be governed by English law.

3. The Interest Rate Swap Agreement

On or before the Closing Date, the Issuer will enter into the Interest Rate Swap Agreement with the Interest Rate Swap Provider and the Interest Rate Swap Transactions pursuant thereto (each as described below) in order to protect itself against potential interest rate exposure in relation to its floating rate interest payment obligations under the Notes.

All of the Loans (other than the Adelphi Loans, the Criterion Loan, the G-res 1 Portfolio Loan, the Greater London Portfolio Loans and the Agora Max Portfolio Loan) bear interest at a fixed rate whereas the Notes bear interest at a floating rate based on three-month LIBOR, exposing the Issuer to

potential interest rate risk in respect of payment obligations under such Notes. In addition, the relevant Loan Interest Periods will not always match the Interest Periods under the Notes. In order to hedge against such exposure, the Issuer and the Interest Rate Swap Provider will enter into fixed/floating rate interest rate swap transactions in respect of all the Loans other than the Senior Adelphi Loan, the Criterion Loan, the G-res 1 Portfolio Loan, the GLP Term Loan and the Agora Max Portfolio Loan (the **Fixed/Floating Swap Transactions**) or floating/floating rate interest rate swap transactions in respect of the Senior Adelphi Loan, the Criterion Loan, the G-res 1 Portfolio Loan, the GLP Term Loan and the Agora Max Portfolio Loan (the **Floating/Floating Swap Transactions** and, together with the Fixed/Floating Swap Transactions, the **Interest Rate Swap Transactions**). Pursuant to the Fixed/Floating Interest Rate Swap Transactions, interest at a fixed rate will be due from the Issuer to the Interest Rate Swap Provider and interest at a floating rate based on three-month LIBOR will be due from the Interest Rate Swap Provider to the Issuer on each Interest Payment Date. Pursuant to the Floating/Floating Interest Rate Swap Transactions in respect of the Senior Adelphi Loan, the Criterion Loan, the G-res 1 Portfolio Loan, the GLP Term Loan and the Agora Max Portfolio Loan, interest at a floating rate based on three-month LIBOR, as calculated in accordance with the Credit Agreements relating to the Senior Adelphi Loan, the Criterion Loan, the G-res 1 Portfolio Loan, the GLP Term Loan and the Agora Max Portfolio Loan, will be due from the Issuer to the Interest Rate Swap Provider on each Interest Payment Date and interest at a floating rate based on three-month LIBOR, as calculated in accordance with the Notes, will be due from the Interest Rate Swap Provider to the Issuer on each Interest Payment Date. If the Issuer redeems the Notes in whole or in part prior to their respective scheduled redemption dates, it will be obliged to terminate the Interest Rate Swap Transactions in a corresponding amount. Depending on LIBOR at the relevant time, a payment may be due from the Issuer to the Interest Rate Swap Provider or from the Interest Rate Swap Provider to the Issuer in connection with such termination.

The Interest Rate Swap Transactions may be terminated in accordance with certain termination events and events of default (each, an **Interest Rate Swap Termination Event**), some of which are more particularly described below.

Subject to the following, the Interest Rate Swap Provider is obliged to make payments under the Interest Rate Swap Transactions only to the extent that the Issuer makes the corresponding payments under the Interest Rate Swap Transactions, though the Issuer (except in respect of the Agora Max Hedging Arrangements) may meet such payments by drawing down funds under the Liquidity Facility. Furthermore, a failure by the Issuer to make timely payment of amounts due from it under the Interest Rate Swap Transactions will constitute a default in respect of the relevant payment due under the relevant Interest Rate Swap Transactions thereunder and entitle the Interest Rate Swap Provider to terminate the relevant Interest Rate Swap Transactions.

The Interest Rate Swap Provider will be obliged to make payments under the Interest Rate Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Interest Rate Swap Provider will be required to pay such additional amount as is necessary to ensure that the amount actually received by the Issuer will equal the full amount the Issuer would have received had no such withholding or deduction been required and, if such withholding or deduction is a withholding or deduction which will or would be or becomes the subject of any tax credit, allowance, set-off, repayment or refund to the Interest Rate Swap Provider, to use all reasonable endeavours to reach agreement to mitigate the incidence of tax on the Issuer and may transfer the relevant swap to an affiliate to mitigate the same.

The Interest Rate Swap Agreement will provide, however, that if due to action taken by a relevant taxing authority or brought in a court of competent jurisdiction or any change in tax law since the Closing Date the Interest Rate Swap Provider will, or there is a substantial likelihood that it will, on the next Interest Payment Date, be required to pay additional amounts in respect of tax under the Interest Rate Swap Agreement or will, or there is a substantial likelihood that it will, receive payment

from the other party from which an amount is required to be deducted or withheld for or on account of tax (an **Interest Rate Swap Tax Event**), the Interest Rate Swap Provider will use its reasonable efforts to transfer its rights and obligations to another of its offices, branches or affiliates or a suitably rated third party to avoid the relevant Interest Rate Swap Tax Event. If no such transfer can be effected, the Interest Rate Swap Agreement and the relevant Interest Rate Swap Transaction may be terminated. The Interest Rate Swap Agreement will contain certain other limited termination events and events of default which will entitle either party to terminate it.

The Interest Rate Swap Provider will, on or prior to the Closing Date, have a rating assigned to its long-term unguaranteed, unsubordinated and unsecured debt obligations of "AA" by S&P, "AA+" by Fitch and "Aa1" by Moody's and its short-term unguaranteed, unsubordinated and unsecured debt obligations of "A-1+" by S&P, "F1+" by Fitch and "P-1" by Moody's. If the short-term, unsecured, unguaranteed and unsubordinated debt obligations of the Interest Rate Swap Provider cease to be rated as high as "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch and, either "R-1 (middle)" by DBRS or, if not rated by DBRS, then the equivalent rating by at least two internationally recognised statistical rating agencies or the long-term unsubordinated and unsecured debt obligations of the Interest Rate Swap Provider cease to be rated as high as "BBB" by S&P, "A2" by Moody's or "A" by Fitch and, either "AA (low)" by DBRS or, if not rated by DBRS, then the equivalent rating by at least two internationally recognised statistical rating agencies (the **Minimum Interest Rate Swap Provider Ratings**), the Interest Rate Swap Provider, at its option must (unless in certain circumstances the Rating Agencies confirm that no downgrade to the then current ratings of the Notes shall occur as a result of such downgrade of the Interest Rate Swap Provider), within the timeframe prescribed by the Interest Rate Swap Agreement either (i) post acceptable collateral with the Issuer (which in certain circumstances is subject to independent third party verification), (ii) transfer its rights and obligations to an acceptable replacement swap provider with the Minimum Interest Rate Swap Provider Ratings, (iii) find a co-obligor with the Minimum Interest Rate Swap Provider Ratings or obtain an acceptable guarantee from a guarantor with the Minimum Interest Rate Swap Provider Ratings or (iv) take such other actions as may be agreed with the Rating Agencies.

If the Interest Rate Swap Provider does not perform the actions referred to in (i), (ii), (iii) or (iv) above (or, if having posted collateral pursuant to (i) above, such ratings fall below a further ratings trigger and the Interest Rate Swap Provider fails to take any of the measures described in (ii), (iii) or (iv) above within the then applicable time limit) then the Issuer will be entitled to terminate the Interest Rate Swap Transactions and enter into replacement interest rate swap transactions with another appropriately rated entity unless the Rating Agencies confirm that no downgrade to the then current ratings of the Notes or the cessation of any such ratings would occur as a result.

If the Interest Rate Swap Provider defaults in its obligations under the Interest Rate Swap Agreement resulting in the termination thereof, the Issuer will be obliged to procure replacement interest rate swap transactions within 20 days of such default unless the Rating Agencies confirm that no downgrade to the then current ratings of the Notes would occur as a result of the Interest Rate Swap Agreement being terminated and no replacement being effected. The Master Servicer will be required, under the terms of the Servicing Agreement, to take all reasonable steps to procure such replacement interest rate swap transaction on behalf of the Issuer and the Trustee.

Governing law

The Interest Swap Agreement will be governed by English law.

4. 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 Trustee will hold the benefit of that covenant on trust for itself and the Noteholders in accordance with their respective interests.

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, the Class D Noteholders and the Class E Noteholders equally (except where expressly provided otherwise), but where there is, in the Trustee's opinion, a conflict between the interests of (i) the Class A Noteholders and (ii) any other Class of Noteholders, the Trust Deed will require the Trustee to have regard to the interests of the Class A Noteholders only, provided there are Class A Notes outstanding. If, in the Trustee's opinion, there is a conflict between the interests of (i) the Class B Noteholders and (ii) the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, the Trust Deed will require the Trustee to have regard to the interests of the Class B Noteholders only, provided there are Class B Notes outstanding. If, in the Trustee's opinion, there is a conflict between the interests of (i) the Class C Noteholders and (ii) the Class D Noteholders and the Class E Noteholders, the Trust Deed will require the Trustee to have regard to the interests of the Class C Noteholders only, provided there are Class C Notes outstanding. If, in the Trustee's opinion, there is a conflict between the interests of (i) the Class D Noteholders and (ii) the Class E Noteholders, the Trust Deed will require the Trustee to have regard to the interests of the Class D Noteholders only, provided there are Class D Notes outstanding.

The Trustee will not be required at any time to have regard to the interests of the Class X Noteholders, except where expressly provided otherwise. Only the holders of the Most Senior Class of Notes outstanding (except for the Class X Noteholders) may request or direct the Trustee to take any action under the Trust Deed.

Governing law

The Trust Deed will be governed by English law.

5. Issuer Deed of Charge

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 Facility Provider, the Interest Rate Swap Provider, the Cash Manager, the Agent Bank, the Paying Agents, the Account Bank, the Corporate Services Provider, the Master Servicer, the Special Servicer and the Seller (together with the Noteholders and any receiver or other appointee of the Trustee, the **Issuer Secured Creditors**) pursuant to which the Issuer will grant security in respect of its obligations, including the Notes. The Issuer expects that the appointment of an administrative receiver by the Trustee under the Issuer Deed of Charge would not be prohibited by Section 72A of the Insolvency Act 1986 as the appointment will fall within the exception set out under Section 72B of the Insolvency Act 1986 (First exception: capital market).

Security

Under the Issuer Deed of Charge, the Issuer will grant the following security in favour of the Trustee who will hold such security on trust for the benefit of itself and the other Issuer Secured Creditors in accordance with their respective interests:

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

(i) each Loan Sale Document;

(ii) the Servicing Agreement;

(iii) the Cash Management Agreement;

(iv) the Subscription Agreement;

(v) the Liquidity Facility Agreement;

(vi) the Interest Rate Swap Agreement;

(vii) the Trust Deed;

(viii) the Depositary Agreement;

(ix) the Agency Agreement;

(x) the Corporate Services Agreement; and

(xi) the Bank Account Agreement;

(b) an assignment by way of first fixed security over all of its right, title, interest and benefit, present and future, under each Finance Document, each Intercreditor Agreement the Agora Max Intercreditor Agreement and the G-res 1 Portfolio Intercreditor Agreement;

(c) 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;

(d) an assignment by way of first fixed security over all of its right, title, interest and benefit, present and future, in and to all investments including Eligible Investments; and

(e) a first floating charge over all of the property, assets and undertaking of the Issuer not already subject to fixed security,

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

Any amounts standing to the credit of the Class X Principal Account will be applied solely in redemption of the Class X Notes. Any interest received in respect of amounts standing to the credit of the Class X Principal Account or the interest element of any Eligible Investments or other investments made by or on behalf of the Issuer from amounts standing to the credit of the Class X Principal Account, will be credited to the Transaction Account and applied as Available Issuer Income.

The Trustee shall not be bound to enforce the security constituted by the Issuer Deed of Charge or 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 either by an Extraordinary Resolution of the holders of the Most Senior Class of Notes (other than the Class X Notes) or in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (other than the Class X 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 and enforcement or directions in respect of the Issuer Security, recourse in respect of obligations under the Notes and all other obligations of the Issuer will be limited to the proceeds of realisation of the Issuer Security.

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 an Acceleration Notice has been served, or 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 administration of the Issuer or to file documents with the court or serve a notice of intention to appoint an administrator in relation to the Issuer.

Enforcement

The Issuer Security will become enforceable on the occurrence of a Note Event of Default pursuant to **Condition 9** (Events of Default) (or on the Final Maturity Date or any earlier redemption in full of the Notes, in each case upon failure to pay amounts due on the Notes). In respect of a Note Event of Default, 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 Cash Management Agreement to be paid *pari passu* with, or in priority to, the Notes or (ii) the Trustee has been advised by such professional advisers as are selected by the Trustee, upon whom the Trustee shall be entitled to rely, that the cash flow 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 relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full all amounts owing to the Noteholders and any amounts required under the Cash Management Agreement to be paid *pari passu* with, or in priority to, the Notes and that the shortfall will (or that there is a significant risk that it will) exceed the shortfall resulting from disposal of the assets comprising the Issuer Charged Property or (iii) the Trustee determines that not to effect such disposal would or would be likely to place the Issuer Security in jeopardy, and, in any event, the Trustee has been secured and/or indemnified to its satisfaction.

Governing law

The Issuer Deed of Charge will be governed by English law.

6. Bank Account Agreement

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

(a) an account (the **Transaction Account**) into which all Collections in respect of the Loans to be transferred by the Relevant Servicer (as agent for the Issuer or the Relevant Security Agent as the case may be), under the Servicing Agreement (including, for the avoidance of doubt, Prepayment Fees and Break Costs), all drawings under the Liquidity Facility Agreement

(other than a Liquidity Stand-by Drawing), all drawings in respect of the Administrative Costs Reserve Account, all payments to the Issuer under the Interest Rate Swap Agreement and all other amounts received by the Issuer in connection with the Loans or the Loan Security or otherwise received by the Issuer under the Transaction Documents are required to be paid;

(b) an account (the **Class X Principal Account**) into which the Issuer will deposit £100,000 which amount will be available to pay principal only on the Class X Notes when such principal is due in accordance with **Condition 5.3(d)** (Class X Note Redemption);

(c) an account (the **Issuer Share Capital Account**) into which the subscription monies in respect of the shares in the Issuer are required to be paid;

(d) an account (the **Administrative Costs Reserve Account**) which will be opened by the Issuer with the Account Bank and which will have a nil balance on the Closing Date. The Issuer will deposit into the Administrative Costs Reserve Account an amount required to replenish such account up to the Administrative Costs Reserve Amount on the Interest Payment Date falling in April 2007 and on each Interest Payment Date thereafter in accordance with the Pre-Acceleration Revenue Priority of Payments. The Cash Manager will make drawings from the Administrative Costs Reserve Account in and towards payment of any Administrative Costs Shortfall to the extent of the amount standing to the credit of the Administrative Costs Reserve Account prior to making an Expenses Drawing in accordance with the Cash Management Agreement; and

(e) an account (the **Liquidity Stand-by Account** and, together with the Transaction Account, the Issuer Share Capital Account, the Class X Principal Account, the Administrative Costs Reserve Account and any other accounts maintained by the Issuer in accordance with the terms of the Transaction Documents from time to time, the **Issuer Accounts**) which will be opened by the Issuer with the Account Bank when a Liquidity Stand-by Drawing is made and into which the Liquidity Stand-by Drawing will be deposited.

The Relevant Servicer (acting as agent for the Issuer and the Relevant Security Agent, as applicable) will be responsible, pursuant to the terms of the Servicing Agreement, for ensuring that the amounts received in connection with the Loans or the Loan Security are paid into the Transaction Account. Payments out of the Transaction Account will be made in accordance with the provisions of the Cash Management Agreement and the relevant Priority of Payments contained therein as described under *Cashflows* below.

If the 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" by Fitch, "P-1" by Moody's, "A-1+" by S&P and either "R-1 (middle)" by DBRS or, if not rated by DBRS, then the equivalent rating by at least two internationally recognised statistical rating agencies and the long-term, unsecured, unguaranteed and unsubordinated debt obligations of which are rated at least "A" by Fitch, "A1" by Moody's, AA-" by S&P and either "AA (low)" by DBRS or, if not rated by DBRS, then the equivalent rating by at least two internationally recognised statistical rating agencies, or is otherwise acceptable to the Rating Agencies), 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.

Governing law

The Bank Account Agreement will be governed by English law.

7. Corporate Services Agreement

Corporate Services Agreement

The Issuer, the Corporate Services Provider and the Share Trustee will each enter into a services agreement (the **Corporate Services Agreement**) on or before the Closing Date pursuant to which the Corporate Services Provider will agree to provide certain administrative services to the Issuer. Pursuant to the Corporate Services Agreement and the terms of a corporate services fee letter (the **Corporate Services Fee Letter**), to be entered into between, among others, the Issuer and the Corporate Services Provider, the Corporate Services Provider will be entitled to receive a fee for the provision of those administrative and certain other corporate services. The Corporate Services Agreement may be terminated by either the Issuer or the Corporate Services Provider pursuant to its terms, but such termination shall only take effect when a substitute corporate services provider has been appointed (on substantially the same terms as the Corporate Services Provider) in accordance with the Corporate Services Agreement.

Governing law

The Corporate Services Agreement will be governed by English law.

8. 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, the Registrar and the Agent Bank, provision will be made for, among other things, payment of principal and interest in respect of the Notes of each Class.

Governing law

The Agency Agreement will be governed by English law.

9. Master Definitions Schedule

On or prior to the Closing Date, each of the Issuer, the Trustee, the Cash Manager, the Account Bank, the Liquidity Facility Provider, the Master Servicer, the Special Servicer, the Agent Bank, the Paying Agents and the Corporate Services Provider will sign, for the purposes of identification only, a definitions schedule (the **Master Definitions Schedule**) incorporating the definitions applicable to each of the Transaction Documents where not otherwise defined therein.

CASHFLOWS

The payment priorities in respect of the Transaction Account will be set out in the Cash Management Agreement. Prior to the Trustee taking any steps to enforce the Issuer Security, the Cash Manager will be responsible for making any payments of principal on the Notes from amounts credited to the Principal Ledger on the Transaction Account (in accordance with the Pre-Acceleration Principal Priority of Payments) and for making payments of, among other things, interest on the Notes from the Revenue Ledger on the Transaction Account (in accordance with the Pre-Acceleration Revenue Priority of Payments). From and including the time at which the Trustee takes any steps to enforce the Issuer Security (but prior to service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full) the Trustee (or, with the consent of the Trustee, the Cash Manager on its behalf) will be responsible for making payments of principal and interest on the Notes in accordance with the Post-Enforcement/Pre-Acceleration Priority of Payments. Following the delivery of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Trustee will be responsible for making payments of principal and interest on the Notes in accordance with the Post-Acceleration Priority of Payments.

Payments from amounts credited to the Revenue Ledger – Revenue Priority Amounts

Prior to the delivery of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Cash Manager (on behalf of the Issuer) will, on any Business Day (including an Interest Payment Date), pay out of the Adjusted Available Issuer Income (as defined below) standing to the credit of the Transaction Account and credited to the Revenue Ledger, (i) (prior to the Trustee taking any steps to enforce the Issuer Security) certain expenses due to third parties that are not Issuer Secured Creditors incurred by the Issuer in the ordinary course of its business, including the Issuer's liability, if any, to taxation and (ii) any periodic payments due pursuant to the Interest Rate Swap Agreement (together the **Revenue Priority Amounts**), provided that on any Interest Payment Date, such payment shall be made in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post-Enforcement/Pre-Acceleration Priority of Payments, as applicable.

Pre-Acceleration Revenue Priority of Payments

Prior to (i) the delivery of an Acceleration Notice or the Notes otherwise becoming due and repayable in full and (ii) the Trustee taking any steps to enforce the Issuer Security, the Cash Manager (on behalf of the Issuer) will, on each Interest Payment Date, apply Adjusted Available Issuer Income (as defined below) credited to the Revenue Ledger in the following order of priority (the **Pre-Acceleration Revenue 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):

(a) 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 person (including, where applicable, any receiver) appointed by it under the Trust Deed, the Issuer Deed of Charge or any other Transaction Document to which it is a party;

(b) 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 Agents, the Depositary and the Agent Bank under the Agency Agreement and the Account Bank under the Bank Account Agreement;

(c) in or towards satisfaction of any amounts due and payable by the Issuer on such Interest Payment Date to, *pari passu* and *pro rata*: (i) the Master Servicer in respect of the Servicing Fee and the Special Servicer in respect of the Special Servicing Fee and any other amounts due to the Master Servicer or the Special Servicer pursuant to the Servicing Agreement

(including Liquidation Fees or Restructuring Fees) (including in each case, the reimbursement of any amounts of Loan Protection Advances made by the Master Servicer or the Special Servicer on behalf of the Issuer) and (ii) the Cash Manager pursuant to the Cash Management Agreement;

(d) 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:

(i) the Corporate Services Provider under the Corporate Services Agreement and the Corporate Services Fee Letter; and

(ii) any payment of Revenue Priority Amounts to third parties (other than the Issuer Secured Creditors) incurred by the Issuer in the ordinary course of its business;

(e) in or towards satisfaction of any amounts due and payable by the Issuer on such Interest Payment Date to the Liquidity Facility Provider under and in accordance with the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts);

(f) in or towards satisfaction of any amounts due and payable by the Issuer on such Interest Payment Date to the Interest Rate Swap Provider under and in accordance with the Interest Rate Swap Agreement (other than any Subordinated Interest Rate Swap Amounts);

(g) in or towards payment *pari passu* and *pro rata* according to the respective amounts of any amounts the Issuer has agreed to pay or otherwise provide to a Borrower in respect of Loan Protection Advances (in each case to the extent not already paid from amounts standing to the credit of the relevant Rent Account, a Loan Protection Drawing or by the Master Servicer or the Special Servicer);

(h) in or towards payment of interest due and overdue (and all interest due on such overdue interest) on the Class A Notes;

(i) in or towards payment of interest due and overdue (and all interest due on such overdue interest) on the Class X Notes;

(j) in or towards payment of interest due and overdue (and all interest due on such overdue interest) on the Class B Notes;

(k) in or towards payment of interest due and overdue (and all interest due on such overdue interest) on the Class C Notes;

(l) in or towards payment of interest due and overdue (and all interest due on such overdue interest) on the Class D Notes;

(m) in or towards payment of interest due and overdue (and all interest due on such overdue interest) on the Class E Notes;

(n) in or towards payment of any Liquidity Subordinated Amounts payable by the Issuer on such Interest Payment Date to the Liquidity Facility Provider;

(o) in or towards payment of any Subordinated Interest Rate Swap Amounts payable by the Issuer on such Interest Payment Date to the Interest Rate Swap Provider;

(p) in or towards payment of the amount (if any) required to ensure that the balance of the Administrative Costs Reserve Account is not less than the Administrative Costs Reserve Amount, such amount to be deposited into the Administrative Costs Reserve Account;

(q) in or towards payment of the Initial Deferred Consideration on the Interest Payment Date falling in April 2007;

(r) any surplus (less an amount equal to £250 in respect of such Interest Payment Date) whilst the Class X Notes are outstanding to the Class X Noteholders as Class X Additional Amounts; and

(s) if the Class X Notes have been redeemed or discharged in full, then to payment of any surplus (less an amount equal to £250 in respect of such Interest Payment Date) to the Issuer; and

(t) to retain in a separate ledger in the Transaction Account (the **Tax Reserve Ledger**) an amount equal to £250 in respect of such Interest Payment Date.

Adjusted Available Issuer Income means on any date, Available Issuer Income in respect of that date plus the aggregate proceeds of the following drawings under the Liquidity Facility Agreement, in each case standing to the credit of the Transaction Account:

(a) Loan Protection Drawings;

(b) Loan Income Deficiency Drawings;

(c) Revenue Priority Amount Drawings;

(d) Expenses Drawings; and

(e) where the Cash Manager has determined on any Calculation Date that an Administrative Costs Shortfall will occur an amount equal to the lesser of the amount standing to the Administrative Costs Reserve Account or the amount of such Administrative Costs Shortfall.

Administrative Costs Reserve Amount means £50,000.

Available Issuer Income will comprise:

(a) all monies (other than Prepayment Fees, Break Costs and principal, (save to the extent that such principal represents any amount to be paid to the Special Servicer as a Liquidation Fee)) to be paid to the Issuer under or in respect of the Credit Agreements less the amount of any expected shortfall in such amount as notified by the Master Servicer or the Special Servicer, as the case may be, to the Cash Manager;

(b) in respect of an Interest Payment Date, any interest accrued upon the Transaction Account, the Class X Principal Account and the Liquidity Stand-by Account and paid into the Transaction Account, the Class X Principal Account or the Liquidity Stand-by Account, as applicable, together with the interest element of the proceeds of any Eligible Investments or other investments made by or on behalf of the Issuer out of amounts standing to the credit of the Transaction Account, the Class X Principal Account or the Liquidity Stand-by Account and paid into the Transaction Account in each case received since the immediately preceding Interest Payment Date; and

(c) Available Interest Rate Swap Breakage Receipts.

Subordinated Interest Rate Swap Amount means any termination amount due to the Interest Rate Swap Provider as a result of:

(a) the occurrence of an Interest Rate Swap Termination Event in respect of the Interest Rate Swap Provider (including, for the avoidance of doubt, where the Interest Rate Swap Provider is the Defaulting Party (as defined in the Interest Rate Swap Agreement)); or

(b) the failure by the Interest Rate Swap Provider to comply with the requirements under the Interest Rate Swap Agreement in relation to loss of Minimum Interest Rate Swap Provider Ratings (as defined above in the section entitled *Transaction Documents – the Interest Rate Swap Agreement*).

Pre-Acceleration Principal Priority of Payments

Prior to (i) the delivery of an Acceleration Notice or the Notes otherwise becoming due and repayable in full or (ii) the Trustee taking any steps to enforce the Issuer Security, the Cash Manager will, on each Interest Payment Date, apply Available Issuer Principal credited to the Principal Ledger in the order of priority (the **Pre-Acceleration Principal 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) set out in the relevant paragraph of **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds).

Post-Enforcement/Pre-Acceleration Priority of Payments

From and including the time at which the Trustee takes any step to enforce the Issuer Security, but prior to service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Trustee (or, with the consent of the Trustee, the Cash Manager on its behalf) or any receiver appointed by it shall apply:

(a) Adjusted Available Issuer Income credited to the Revenue Ledger and available for distribution, in or towards satisfaction of the liabilities set out in, and in the same order of priority as, the Pre-Acceleration Revenue Priority of Payments, other than items (d)(ii) and (s); and

(b) Available Issuer Principal credited to the Principal Ledger and available for distribution in or towards satisfaction of the liabilities set out in, and in the same order of priority as, the Pre-Acceleration Principal Priority of Payments, disregarding the following items: (vii) of **Condition 5.3(b)** (Application of Available Sequential Principal), (i)(D) and (ii)(C) of **Condition 5.3(c)** (Application of Available Pro Rata Principal) for this purpose,

(such priorities of payments, together, the **Post-Enforcement/Pre-Acceleration Priority of Payments**). Thereafter any surplus shall be paid into a designated account to be established for this purpose by the Trustee (or, with the consent of the Trustee, the Cash Manager on its behalf) or any receiver appointed by it.

Post-Acceleration Priority of Payments

Following the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Trustee will be required to apply all funds received or recovered by it (other than any amount in respect of Prepayment Fees, Break Costs, Interest Rate Swap Breakage Receipts subject to the Interest Rate Swap Breakage Receipts Priority of Payments and any principal amounts standing to the credit of the Liquidity Stand-by Account in respect of a Liquidity Stand-by Drawing) in

accordance with the following order of priority (the **Post-Acceleration Priority of Payments** and together with the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments and the Post-Enforcement/Pre-Acceleration Priority of Payments, the **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 Cash Management Agreement:

(a) 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 any of them under the Trust Deed, the Issuer Deed of Charge or any other Transaction Document to which it is a party;

(b) in or towards satisfaction of any amounts due and payable by the Issuer to, *pari passu* and *pro rata*, the Agents, the Depositary and the Agent Bank in respect of amounts properly paid by such persons to the Noteholders without corresponding payment of funds 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 and the Account Bank under the Bank Account Agreement;

(c) in or towards satisfaction of any amounts due and payable by the Issuer to, *pari passu* and *pro rata*: (i) the Master Servicer in respect of the Servicing Fee and the Special Servicer in respect of the Special Servicing Fee and any other amounts due to the Master Servicer or the Special Servicer pursuant to the Servicing Agreement (including Liquidation Fees or Restructuring Fees) (including in each case, the reimbursement of any amounts of Loan Protection Advances made by the Master Servicer or the Special Servicer on behalf of the Issuer) and (ii) the Cash Manager pursuant to the Cash Management Agreement;

(d) 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 the Corporate Services Provider under the Corporate Services Agreement and the Corporate Services Fee Letter;

(e) in or towards satisfaction of any amounts due and payable by the Issuer to the Liquidity Facility Provider under and in accordance with the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts);

(f) in or towards satisfaction of any amounts due and payable by the Issuer to the Interest Rate Swap Provider under and in accordance with the Interest Rate Swap Agreement (other than any Subordinated Interest Rate Swap Amounts);

(g) in or towards payment, of any principal and interest due and overdue (and all interest due on such overdue interest) on the Class A Notes;

(h) in or towards payment of interest due and overdue (and all interest due on such overdue interest) on the Class X Notes;

(i) in or towards payment of any principal and interest due and overdue (and all interest due on such overdue interest) on the Class B Notes;

(j) in or towards payment of any principal and interest due and overdue (and all interest due on such overdue interest) on the Class C Notes;

(k) in or towards payment of any principal and interest due and overdue (and all interest due on such overdue interest) on the Class D Notes;

(l) in or towards payment of any principal and interest due and overdue (and all interest due on such overdue interest) on the Class E Notes;

(m) in or towards payment of any Liquidity Subordinated Amounts payable to the Liquidity Facility Provider;

(n) in or towards payment of any Subordinated Interest Rate Swap Amounts payable by the Issuer to the Interest Rate Swap Provider;

(o) any surplus whilst the Class X Notes are outstanding to the Class X Noteholders as Class X Additional Amounts;

(p) any surplus on or towards payment of Deferred Consideration; and

(q) if the Class X Notes have been redeemed or discharged in full then in payment of any surplus to the Issuer.

Application of Prepayment Fees

All amounts received or recovered by the Issuer in respect of any Prepayment Fees will be applied by the Issuer or, from and including the time at which the Trustee takes any step to enforce the Issuer Security, the Trustee (or, with the consent of the Trustee, the Cash Manager on its behalf) in or towards payment of any Class X Additional Amounts to the Class X Noteholders (such amount being the **Class X Prepayment Fees**).

Break Costs Priority of Payments

On any Interest Payment Date (and following service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, on any date), any Break Costs (which shall not include any amount paid by a Borrower in respect of any interest that would have been due on the immediately following Loan Interest Payment Date following a prepayment of all or part of the Loan by the Borrower on a day other than a Loan Interest Payment Date) received by the Issuer as a result of any prepayment by a Borrower of all or any part of a Loan during the related Collection Period will be applied by the Cash Manager on behalf of the Issuer or, from and including the time at which the Trustee takes any steps to enforce the Issuer Security, the Trustee (or, with the consent of the Trustee, the Cash Manager on its behalf) in accordance with the following order of priority (the **Break Costs Priority of Payments**) (in each case only if and to the extent that the proceeds and provisions of a higher priority have been made in full) all as more fully set out in the Cash Management Agreement:

(a) in or towards payment of any amount due and payable by the Issuer on that Interest Payment Date or other relevant date to the Interest Rate Swap Provider under and in accordance with the Interest Rate Swap Agreement, arising as a result of the termination of all or part of any Interest Rate Swap Transaction due to the prepayment by such Borrower of all or part of any Loan; and

(b) thereafter, any surplus (**Excess Break Costs**) in or towards payment of any Deferred Consideration to the Seller.

Interest Rate Swap Breakage Receipts Priority of Payments

On any Interest Payment Date (and following service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, on any date), any Interest Rate Swap Breakage Receipts received by the Issuer as a result of any termination of all or part of an Interest Rate Swap

Transaction following prepayment by a Borrower of all or any part of a Loan during the related Collection Period or following a default by a Borrower, to the extent that the same is not taken into account in the calculation of the relevant Adjusted Loan Principal Loss or Principal Recovery Funds will be applied by the Cash Manager on behalf of the Issuer or, from and including the time at which the Trustee takes any steps to enforce the Issuer Security, the Trustee (or, with the consent of the Trustee, the Cash Manager on its behalf) in accordance with the following order of priority (the **Interest Rate Swap Breakage Receipts Priority of Payments**) (in each case only if and to the extent that the proceeds and provisions of a higher priority have been made in full) all as more fully set out in the Cash Management Agreement:

(a) in or towards payment of any amount the Issuer (in its capacity as Lender) has or would have to pay to the relevant Borrower under the relevant Credit Agreement in respect of the prepayment by such Borrower of such Loan; and

(b) thereafter, in or towards payment to Barclays Bank PLC in its capacity as Seller as Deferred Consideration in accordance with the terms of the Loan Sale Agreement (such amount being the **Excess Interest Rate Swap Breakage Receipts**).

Post Write-off Recovery Funds

The aggregate amount of any recovery received by the Master Servicer or the Special Servicer on behalf of the Issuer in respect of a Loan following the write-off of such Loan by the Master Servicer or the Special Servicer on the completion of enforcement procedures in relation to such Loan (**Post Write-off Recovery Funds**) will be applied by the Issuer as Available Issuer Income or, following service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, by the Trustee as available funds under the Post-Acceleration Priority of Payments.

Application of Class X Additional Amounts

All the Class X Additional Amounts will be applied by the Issuer on each Interest Payment Date or, from and including the time at which the Trustee takes any step to enforce the Issuer Security, the Trustee on each Interest Payment Date or on the same day as funds are applied under the Post-Acceleration Priority of Payments, as applicable solely to the holders of the Class X Notes as more fully set out in **Condition 5.3(d)** (Class X Note Redemption).

Amounts standing to the credit of the Administrative Costs Reserve Account

On the Final Maturity Date, or such earlier date as the Notes of each Class (other than the Class X Notes) have been redeemed in full, all amounts standing to the credit of the Administrative Costs Reserve Account will be paid to Class X Noteholders as Class X Additional Amounts.

SERVICING

The Master Servicer

Each of the Issuer and the Trustee will appoint Barclays Capital Mortgage Servicing Limited (**BCMSL**) under the terms of a servicing agreement dated on or before the Closing Date (the **Servicing Agreement**) as the initial Master Servicer and Special Servicer of the Loans and to exercise the rights of the Issuer as Lender under the Finance Documents. The Master Servicer will perform the day-to-day servicing of the Loans. The Master Servicer will also act for the Issuer in respect of any drawing to be made by the Greater London Borrowers under the GLP Revolving Credit Facility and any drawing made by the Adelphi Borrower under the rent liquidity facility in respect of the Adelphi Revolver Loan. Following the occurrence of a Special Servicing Event (as defined below) the Special Servicer will commence servicing the relevant Specially Serviced Loan. BCMSL is a wholly-owned subsidiary of the Seller established in December 2004 in order to service commercial mortgage loans originated and acquired by the Seller. It currently services a total portfolio of approximately £8.47 billion commercial mortgage loans, which includes loans securitised under the Seller's Eclipse commercial mortgage backed securities conduit programme. BCMSL has a servicer rating of "CPS2-UK" by Fitch and "Above Average, Outlook: Stable" by S&P. In addition to the loans originated or acquired by the Seller, BCMSL will continue to service other commercial loans from time to time.

Each Security Agent (other than HBOS) will appoint the Master Servicer and the Special Servicer, as its agents pursuant to the terms of the Servicing Agreement. The Master Servicer or, in respect of a Specially Serviced Loan (other than in the case of the Agora Max Portfolio Loan), the Special Servicer, will exercise all duties, powers, directions and rights of each Security Agent (other than HBOS as Security Agent for the Agora Max Whole Loan) under the relevant Finance Documents (including each relevant Credit Agreement). In acting as agent for the Relevant Security Agent, the Master Servicer or the Special Servicer must act in accordance with the Servicing Standard (as defined below), the provisions of the Servicing Agreement, the relevant Credit Agreement and, where relevant, the Intercreditor Agreements.

In respect of the Agora Max Portfolio Loan, the Master Servicer and the Special Servicer will have a more limited role than in relation to the other Loans. The Master Servicer and the Special Servicer will perform the day-to-day servicing of the Agora Max Portfolio Loan and exercise the rights of the Issuer as a Lender under the relevant Finance Documents for the Agora Max Portfolio Loan in accordance with the terms of the Agora Max Intercreditor Agreement. The role of the Master Servicer and the Special Servicer will generally be limited to directing HBOS as Security Agent in respect of the Agora Max Senior A Loan in accordance the terms of the Agora Max Intercreditor Agreement. The Master Servicer and the Special Servicer will in particular have no right to directly agree amendments, consents or variations in respect of the Agora Max Senior A Loan or conduct the enforcement action in respect of such Loan. The services of the Master Servicer and the Special Servicer as set out in this section will therefore only apply to a very limited extent to the Agora Max Portfolio Loan and consequently this should be taken into account when considering the roles of the Master Servicer and the Special Servicer with respect to the Agora Max Portfolio Loan.

Servicing of the Loans

Servicing procedures will include monitoring compliance with and administering the options available to each Borrower under the terms and conditions of the relevant Credit Agreement. The Master Servicer and (where applicable) the Special Servicer shall take all measures it deems necessary or appropriate in its due professional discretion to administer and collect the Loans and in exercising its obligations and discretions under the Servicing Agreement in its capacity as agent of the Issuer and the Relevant Security Agent. Each of the Master Servicer and the Special Servicer must act in

accordance with the following requirements and, in the event that the Master Servicer or Special Servicer considers there to be a conflict between them, in the following priority:

(a) all applicable legal and regulatory requirements;

(b) the terms of the applicable Loan Documentation in respect of the Serviced Loans (including the Intercreditor Agreements, the G-res 1 Portfolio Intercreditor Agreement and the Agora Max Intercreditor Agreement);

(c) any covenants or restrictions contained in the Servicing Agreement;

(d) the directions of the Trustee (if any) which can only be given after the Issuer Security has become enforceable;

(e) the **Servicing Standard** being the maximisation of recovery of funds taking into account:

(i) the likelihood of recovery of amounts due in respect of that Loan;

(ii) the timing of recovery;

(iii) the costs of recovery; and

(iv) the interests of the Issuer (subject, in the case of the Adelphi Whole Loan and the Criterion Whole Loan, to the terms of the relevant Intercreditor Agreement and, in the case of the G-res 1 Portfolio Loan, to the terms of the G-res 1 Portfolio Intercreditor Agreement and in the case of the Agora Max Senior A Loan, to the terms of the Agora Max Intercreditor Agreement),

giving due and careful consideration to customary and usual standards of practice of a reasonably prudent commercial mortgage lender servicing loans similar to the Loans in the United Kingdom and without regard to any fees or other compensation to which it is entitled, or the ownership by it or any of its affiliates of an interest in the Notes, the Junior Adelphi Loan, the Junior Criterion Loan, the Agora Max Whole Loan or any relationship the Master Servicer or the Special Servicer or any of their respective affiliates or any other person may have with any Borrower, Obligor or any other party to the Transaction Documents.

Appointment of the Special Servicer

The Master Servicer or the Special Servicer, as applicable, will promptly give notice to the Issuer, the Trustee, the Cash Manager, the Operating Adviser, the Rating Agencies, the Junior Lender and the Special Servicer (where applicable) of it becoming aware of the occurrence of any Special Servicing Event in respect of a Loan. Upon the delivery of such notice, that Loan will become a **Specially Serviced Loan**.

A **Special Servicing Event** in respect of a Loan will be the occurrence of any of the following:

(a) a payment default occurring with regards to any payment due on the maturity of the relevant Loan (taking into account any permitted extensions to its maturity);

(b) a scheduled payment due and payable in respect of the relevant Loan being delinquent for more than 60 days past its due date;

(c) insolvency or bankruptcy proceedings being commenced in respect of the Relevant Borrower;

(d) in the Master Servicer's opinion a breach of a material covenant under the relevant Credit Agreement occurring or, to the knowledge of the Master Servicer, being likely to occur, and in the Master Servicer's opinion such breach is not likely to be cured within 30 days of its occurrence;

(e) any relevant Obligor notifying the Master Servicer, Special Servicer, the Relevant 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; or

(f) any other Loan Event of Default occurring in relation to the relevant Loan that, in the good faith and reasonable judgment of the Master Servicer, materially impairs or could materially impair or jeopardise the Related Security for the relevant Loan or the value thereof as Related Security for that Loan and the ability of a Borrower to satisfy its obligations in respect of the relevant Loan.

Upon a Loan becoming a Specially Serviced Loan, actions in respect of the relevant Loan will be undertaken by the Special Servicer except where otherwise provided. In particular, the Master Servicer will remain responsible for the collection of amounts from the Borrower Accounts and will (in its capacity as agent of each Security Agent) maintain signing authority on the Borrower Accounts.

Collection and Enforcement procedures

The Master Servicer will as permitted by and in accordance with the relevant Credit Agreements (as agent for the Issuer and the Relevant Security Agent) collect all payments due under or in connection with the Loans.

The Master Servicer will initially be responsible for the supervision and monitoring of payments falling due in respect of the Loans. On the occurrence of an event of default under the Loans, the Master Servicer or, if the Loan is a Specially Serviced Loan, the Special Servicer (each as agent for the Issuer and the Relevant Security Agent) will implement enforcement procedures which meet the requirements of the Servicing Agreement. These procedures may involve the deferral of formal enforcement procedures such as the appointment of an LPA Receiver, a Scottish receiver or an administrator and may involve the restructuring of a Loan by the amendment or waiver of certain of the provisions. Any such restructuring will have to comply with the provisions of the Servicing Agreement and, where applicable, the Intercreditor Agreements.

Amendments to the Finance Documents

The Master Servicer or the Special Servicer, as applicable, (as agent for the Issuer and the Relevant Security Agent) may (but will not be obliged to) in accordance with the Servicing Standard agree to any request by a Borrower and/or an Obligor, as applicable, to vary, waive or amend the terms and conditions of any Finance Documents, the Offer Letter, the Valuation Report, the Intercreditor Agreements, the G-res 1 Portfolio Intercreditor Agreement, the Agora Max Intercreditor Agreement (together the **Loan Documentation**) or grant any consent to exercise on its behalf any and all of its rights, powers and discretions or take similar actions or to make any determination, express any opinion or take any other action) in respect thereof if each of the following conditions is satisfied:

(a) no Acceleration Notice has been given by the Trustee which remains in effect and the Issuer Security has not become enforceable at the date on which the relevant waiver, amendment or variation is agreed;

(b) the Issuer will not be required to make a further advance including, without limitation, any deferral of interest because of the relevant variation, waiver or amendment other than to the extent permitted by the terms of the Credit Agreement;

(c) the effect of such variation, amendment or waiver would not be to extend the final maturity date of the relevant Loan to a date falling less than two years from the Final Maturity Date;

(d) each Related Security will continue to include a full first ranking legal mortgage or charge over the legal and beneficial interest in all of the relevant Properties or other security satisfactory to the Master Servicer or the Special Servicer has been obtained; and

(e) if BCMSL is not the Special Servicer, prior notice of any such amendment, wavier or variation is given to the Special Servicer,

unless prior written confirmation has been received from the Rating Agencies (where applicable) that any such amendment, variation or waiver will not result in the then current ratings of any Notes being adversely affected or, if the Rating Agencies confirm that such amendment, variation or waiver will have an adverse effect, or fail or refuse to given any such confirmation, on the then current ratings of the Notes or the Notes of any class, the Trustee (acting in accordance with the Trust Deed) has consented to the amendment, variation or waiver.

Loan Protection Advances

The terms of the Credit Agreements require the Borrowers to comply with their obligation to make certain payments to third parties such as insurers, landlords and swap providers and other third parties in connection with operating expenses. Failure by a Borrower to make such payments when due could result in the arrangements with the third party being terminated, which could jeopardise the interests of the Issuer. If (a) the Credit Agreement permits the Lender or the Relevant Security Agent to make any such third party payments on the Borrower's behalf and requires the Borrower to reimburse the Lender or, as the case may be, the Relevant Security Agent for any payments so made and (b) the Relevant Servicer determines that it would be in the interests of the Issuer to make the payment, the Relevant Servicer may arrange for the payment, directly to the third party, of the amount due.

If the Relevant Servicer determines that a third party payment should be made it will first use any amounts standing to the credit of the relevant Rent Account, in accordance with the terms of the relevant Credit Agreement. If insufficient funds are available in the Rent Account to make the third party payment, the Relevant Servicer will notify the Cash Manager of the amount of such shortfall and the Issuer will make a loan protection advance in the amount of such shortfall subject to the terms of the Transaction Documents (any such payment being a **Loan Protection Advance**). Upon receipt of such notice, the Cash Manager will make a Loan Protection Drawing in an amount equal to the required Loan Protection Advance in accordance with the terms of the Liquidity Facility Agreement (see *Transaction Accounts – Liquidity Facility Agreement* above). To the extent that any Loan Protection Advance cannot be funded from the proceeds of any Loan Protection Drawing the Relevant Servicer may (in its sole discretion), make all or part of the payment to the third party using its own funds in which case such amounts will be repaid by the Issuer from Available Issuer Income on the Interest Payment Date immediately following the date on which such Loan Protection Advance is made together with interest thereon at a rate of one per cent. per annum over the base lending rate, from time to time, of Barclays Bank PLC or such UK clearing bank as the Master Servicer or the Special Servicer, as the case may be, and the Trustee may agree. To the extent that any Loan Protection Advance cannot be funded from the proceeds of any Loan Protection Drawing and the Relevant Servicer does not want to fund all or part of such advance using its own funds, and such Loan Protection Advance is to be made on an Interest Payment Date prior to the service of an

Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Cash Manager will use Available Issuer Income to the extent of any shortfall, in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post-Enforcement/Pre-Acceleration Priority of Payments.

In determining whether or not the Issuer or the Relevant Servicer should make a Loan Protection Advance, the Relevant Servicer will be required to take into account whether the Loan will generate sufficient income and/or have a sufficiently high value to repay all amounts due under the Loan and any amounts in respect of the Loan Protection Advance (a **Recoverability Determination**). In making a Recoverability Determination the Relevant Servicer must have regard to, among other things, the value of the property, the amount of any proposed Loan Protection Advance, the amount of any costs if the Loan Protection Advance were not made (including swap termination amounts) and the cost and timing of any refinancing or potential refinancing. The Recoverability Determination will not necessarily be the determining factor in whether a Loan Protection Advance is to be made. The Relevant Servicer shall (in accordance with the Servicing Standard, but subject to the Relevant Servicer determining in its sole discretion if its own funds are to be used) exercise its discretion in respect of whether to make a Loan Protection Advance having weighed up the Recoverability Determination against the potential cost or loss to the Issuer of not making such an advance.

Loan Income Deficiency Drawings

Under the terms of the Servicing Agreement, the Master Servicer or the Special Servicer, as applicable, to the extent that the Relevant Borrower fails to pay any amount (in whole or in part) in respect of any amount of scheduled interest due under the relevant Credit Agreement, shall notify the Cash Manager of the amount of such shortfall and, upon receipt of such notice, the Cash Manager must make a Loan Income Deficiency Drawing on the immediately following Business Day, subject to the terms of the Liquidity Facility Agreement. A Loan Income Deficiency Drawing will not be available in respect of any amount not paid in respect of any Junior Loan.

Servicer quarterly report and quarterly financial report

Pursuant to the Servicing Agreement, the Master Servicer (where applicable acting on information provided by the Special Servicer) will agree to deliver (i) to the Issuer, the Trustee, the Cash Manager, the Special Servicer (where necessary) and the Rating Agencies as soon as is reasonably practical after each Loan Interest Payment Date a servicing report in respect of the performance of the Loans and the Collections and containing information in respect of the Properties (to the extent such information is provided by the Borrowers) during the related Collection Period and (ii) to the Cash Manager on or prior to each Calculation Date a financial report in respect of, among other things, the Collections. The Master Servicer will endeavour to comply with current market reporting standards in respect of commercial mortgages which have been securitised in the United Kingdom. The Cash Manager will, on each Calculation Date, provide or make available through its website (which is located at https://sfr.bankofny.com/SFR/Login.jsp [20]) to the Trustee, for the benefit of, among others, each Noteholder, a statement to Noteholders. The statement to Noteholders shall be based upon information provided in the quarterly financial report by the Master Servicer and the Special Servicer in accordance with the Servicing Agreement.

Notwithstanding the arrangements described above the Issuer may publicly disclose any information itself.

Insurance

[20] The https://sfr.bankofny.com/SFR/Login.jsp website and the contents thereof do not form any part of this Prospectus.

The Relevant Servicer will, as agent for the Issuer or the Relevant Security Agent, as the case may be, monitor the arrangements for insurance which relate to the Loans and the Loan Security and will establish and maintain procedures to ensure that all Insurance Policies in respect of the Properties are renewed on a timely basis.

To the extent that the Issuer and/or the Relevant Security Agent has power to do so under a policy of buildings insurance, the Relevant Servicer will, as soon as practicable after becoming aware of the occurrence of any event giving rise to a claim under such Insurance Policy, prepare and submit as agent of the Issuer or the Relevant Security Agent, as the case may be, such claim on behalf of the Issuer and/or the Relevant Security Agent in accordance with the terms and conditions of such Insurance Policy and with any requirements of the relevant insurer.

The Relevant Servicer will, as agent of the Issuer and the Relevant Security Agent, use reasonable endeavours to procure that each Borrower complies with its obligations in respect of insurance in accordance with the terms of the relevant Credit Agreement. If the Relevant Servicer becomes aware that a Borrower has failed to pay premiums due under any policy of buildings insurance, the Relevant Servicer may, provided that the conditions specified under *Loan Protection Advances* above are satisfied, make a Loan Protection Advance and pay premiums due and payable under any policy of buildings insurance in order that the cover provided by such Insurance Policy does not lapse.

Upon receipt of notice that any policy of buildings insurance has lapsed or that any of the Properties is otherwise not insured in accordance with the terms of the relevant Credit Agreement, the Relevant Servicer, as agent of the Issuer and the Relevant Security Agent, is entitled to arrange such insurance in accordance with the terms of that Credit Agreement. Under the terms of the Credit Agreements, the Relevant Borrower is required to reimburse the Issuer for such costs of insurance. See also *Risk Factors – Insurance* above.

Fees

On each Interest Payment Date, the Master Servicer will be entitled to receive:

(a) a fee for servicing the Loans of 0.08 per cent. per annum, plus value added tax, if applicable, of the principal balance outstanding of the Loans (other than any Specially Serviced Loans) which will reduce to 0.03 per cent. per annum, plus value added tax, if applicable, of the principal balance outstanding of the Loans (other than any Specially Serviced Loans) provided that the Principal Amount Outstanding of the Notes on the Interest Payment Date immediately following the mandatory redemption of the Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date; and

(b) a fee for reporting in respect of the Loans equal to 0.02 per cent. per annum, plus value added tax, if applicable, of the principal balance outstanding of the Loans (together, the **Servicing Fee**). The Servicing Agreement will also provide for the Master Servicer to be reimbursed for all reasonable out-of-pocket expenses and charges properly incurred by the Master Servicer in the performance of its services under the Servicing Agreement. On each Interest Payment Date the Issuer will pay to the Master Servicer all amounts due to the Master Servicer subject to the relevant Priority of Payments (see further *Cashflows*).

Pursuant to the Servicing Agreement, if the Special Servicer is appointed in respect of any Loan, the Issuer will be required to pay to the Special Servicer a fee (the **Special Servicing Fee**) up to 0.25 per cent. per annum plus value added tax, if applicable, of the then principal balance outstanding of that Specially Serviced Loan, subject to the relevant Priority of Payments (see further *Cashflows*) for a period commencing on the date the relevant Loan becomes a Specially Serviced Loan and ending on

the date on which the properties are sold on enforcement or, if earlier, the date on which that Loan is deemed to be corrected.

A Loan will be deemed to be **corrected** and the servicing in respect of such Loan will pass to the Master Servicer and it will cease to be a Specially Serviced Loan if any of the following occurs with respect to the circumstances identified (and provided that no other Special Servicing Event then exists with respect to that Loan):

(a) with respect to the circumstances described in items (b) in the definition of Special Servicing Event, the Relevant Borrower has made one timely quarterly payment in full;

(b) with respect to the circumstances described in items (c) in the definition of Special Servicing Event such proceedings are terminated;

(c) with respect to the circumstances described in item (d) in the definition of Special Servicing Event such circumstances cease to exist in the good faith and reasonable judgment of the Special Servicer;

(d) with respect to the circumstances described in item (e) 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

(e) with respect to the circumstances described in item (f) 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 (in the case of the Agora Max Portfolio Loan, only in circumstances where the Special Servicer reasonably determines that it is performing services commensurate with those that it would perform in respect of other Specially Serviced Loans) to a fee (the **Liquidation Fee**) in respect of the Loans equal to an amount of up to a maximum of one per cent. (exclusive of value added tax) of the aggregate of (i) the proceeds (net of all costs and expenses (including any swap breakage costs) incurred as a result of the default of the Loan, enforcement and sale), together with (ii) any swap breakage gains, in each case arising on the sale of any Property or Properties while the relevant Loan was a Specially Serviced Loan.

In addition to the Special Servicing Fee and the Liquidation Fee (if any) in respect of the Loans, the Special Servicer will be entitled (in the case of the Agora Max Portfolio Loan, only in circumstances where the Special Servicer reasonably determines that it is performing services commensurate with those that it would perform in respect of other Specially Serviced Loans) to receive a fee (the **Restructuring Fee**) in consideration of providing services in relation to any Specially Serviced Loan to be payable at such time as the Loan is deemed to be corrected provided that, where a Loan has become a Specially Serviced Loan by reason of a breach of a financial covenant, no Restructuring Fee will be payable in respect of the period from (and including) the date on which the Loan became a Specially Serviced Loan to (and including) the date falling 60 days after the date on which such Loans became a Specially Serviced Loan. If the Loan has become corrected during such period, no Restructuring Fees will be paid to the Special Servicer. When a Loan is deemed to be corrected, the Restructuring Fee will be equal to an amount up to a maximum of one per cent. (exclusive of value added tax) of each collection of principal and interest received on the relevant 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 relevant Loan to below the amount of principal outstanding under

the relevant Loan at the date it was first deemed to be corrected) for so long as it continues to be deemed corrected. The Restructuring Fee with respect to the relevant Loan will cease to be payable if the relevant Loan is no longer deemed to be corrected, but will again become payable if and when the relevant Loan is again deemed to be corrected to the Special Servicer appointed in respect of that Loan at the date on which it is deemed to be corrected again. Non-payment of the Restructuring Fee will not entitle the Special Servicer to terminate the arrangements under the Servicing Agreement.

The Special Servicer, to the extent permitted by the relevant Credit Agreement (including any amendments to such Credit Agreements), may seek to recover any Restructuring Fees and Liquidation Fees from the Relevant Borrower.

The Liquidation Fee and the Restructuring Fee will only be payable to the extent that the Issuer has sufficient funds to pay such amount as provided in the relevant Priority of Payments (see further *Cashflows*).

Removal or resignation of the Master Servicer or the Special Servicer

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

(a) the Master Servicer or the Special Servicer, as applicable, fails to pay or to procure the payment of any amount due and payable by it and either (i) such payment is not made within five Business Days of such time or (ii) if the Master Servicer's or the Special Servicer's, as applicable, failure to make such payment was due to inadvertent error, such failure is not remedied for a period of ten Business Days after the Master Servicer or the Special Servicer, as applicable, becomes aware of the default;

(b) subject as provided further in the Transaction Documents, the Master 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 Master 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 Master Servicer or the Special Servicer, as applicable, by the Issuer or the Trustee;

(c) at any time the Master Servicer or the Special Servicer, as applicable, fails to obtain or maintain the necessary licences or regulatory approvals enabling it to continue servicing any Loan; or

(d) the occurrence of an Insolvency Event in relation to the Master Servicer or the Special Servicer.

In addition, if the Issuer is so instructed by the Controlling Creditor the Issuer will, subject to **Condition 3.5** (Junior Lender), terminate the appointment of the person then acting as special servicer of a Loan and, subject to certain conditions, appoint a qualified successor thereto (such successor to pay any costs incurred by the Issuer in replacement of the existing special servicer). There may be different special servicers appointed in respect of the Loans.

Controlling Creditor means, at any time:

(a) the holders of the most junior Class of Notes then having a Principal Amount Outstanding greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date;

(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; or

(c) subject to the terms of the relevant Intercreditor Agreement, in respect of the Adelphi Loans and the Criterion Loan, the relevant Junior Lender, for so long as the relevant Junior Loan is outstanding.

Under the Intercreditor Agreements the initial Special Servicer will be Barclays Capital Mortgage Servicing Limited. The Junior Lenders under the Adelphi Loans and the Criterion Loan have the right to consult with the relevant Security Agent as to enforcement actions in relation to the relevant Loan. If the Senior Adelphi Loan and/or the Criterion Loan, as applicable, becomes a Specially Serviced Loan then, unless the value of the relevant Properties is less than an agreed upon percentage (a **Control Valuation Event**) of the then principal amount outstanding of the Senior Adelphi Loan or the Criterion Loan, respectively, the Junior Lender may (following consultation with the Issuer) require the Issuer to replace the initial Special Servicer with a replacement Special Servicer. The replacement Special Servicer may be proposed by the Junior Lender if the Rating Agencies have given written confirmation that the appointment of the replacement Special Servicer will not have an adverse effect on the ratings of the Notes. Any replacement Special Servicer must enter into new servicing arrangements on substantially the same terms as the Servicing Agreement, and any Issuer costs in connection with the replacement will be borne by the Junior Lender.

Prior to or contemporaneously with any termination of the appointment of the Master Servicer or the Special Servicer, as the case may be, it will first be necessary for the Issuer and the Trustee to appoint a substitute master servicer or substitute special servicer, as the case may be, approved by the Trustee.

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

Any such substitute master servicer or substitute special servicer (whether appointed upon a termination of the appointment of, or the resignation of, the Master Servicer or Special Servicer, as the case may be) will be required to have experience of servicing loans secured on commercial mortgage properties in England 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 market standard for such agreements in similar transactions at the time. Under the terms of the Servicing Agreement, the appointment of a substitute master servicer or substitute special servicer, as the case may be, 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 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 master servicer or substitute special servicer shall, save as specified above, be paid by the Master Servicer or Special Servicer (as the case may be) whose appointment is being terminated. The fee payable to any such substitute master servicer or substitute special servicer in each case acting as agent for the Issuer and the Relevant Security Agent should not, without the prior written consent of the Trustee, exceed the amount payable to the Master Servicer or Special Servicer, as applicable, 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 Master Servicer or Special Servicer, the Master Servicer or Special Servicer (as the case may be) must deliver any documents and all books of account and other records maintained by the Master Servicer or Special Servicer relating to the Loans and/or the Loan Security to, or at the direction of, the substitute master servicer or substitute special servicer and shall take such further action as the substitute master servicer or substitute special servicer, as the case may be, shall reasonably request to enable the substitute master servicer or the substitute special servicer, as the case may be, to perform the services due to be performed by the Master Servicer or the Special Servicer under the Servicing Agreement.

Appointment of the Operating Adviser

The Controlling Creditor may elect to appoint a representative (the **Operating Adviser**) to represent the interests of the Controlling Creditor. The Special Servicer must notify the Operating Adviser prior to doing, amongst other things, any of the following in relation to a Specially Serviced Loan:

(a) the appointment of a receiver or administrator or similar actions to be taken in relation to any Loan;

(b) the amendment, waiver or modification of any term of any Finance Documents which, in the opinion of the Special Servicer, affects the amount payable by the Relevant 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 any Related Security, or the acceptance of substitute or additional Related Security other than in accordance with the terms of the relevant Credit Agreement.

Before taking any action in connection with the matters referred to in **paragraphs (a)** to **(c)** above, the Special Servicer 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 fulfil its other obligations under the Servicing Agreement, the Special Servicer may take whatever action it considers necessary without waiting for the Operating Adviser's response. If any Operating Adviser objects in writing to the proposed actions to be taken within ten Business Days after being notified of such proposed action and after being 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 Creditor (but again, without prejudice to the Special Servicer's obligation to act in accordance with the other provisions of the Servicing Agreement including the Servicing Standard). The Special Servicer will not be obliged to take account of the advice of the Operating Adviser 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 Loan and, for 30 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. In respect of the Adelphi Loans and the Criterion Loan, the action that may be taken by the Master Servicer or the Special Servicer (as agent of the Issuer and the Relevant Security Agent) will be subject to the rights of the Junior Lender under the Intercreditor Agreements (see above *The Loan and the Loan Security – Intercreditor Agreements*). Any rights of the Special Servicer will be subject to the terms of the Agora Max Intercreditor Agreement. In respect of the Agora Max Portfolio Loan, the action that may be taken by the Master Servicer or the Special Servicer (as agent of the Issuer) will be subject to the rights of the Agora Max Existing Senior A Lenders, the Agora Max Senior B Lenders and the Agora Max Junior Lenders under the Agora Max Intercreditor Agreement, as applicable (see above *The Loan and the Loan Security –Agora Max Intercreditor Agreement*).

Delegation by the Master Servicer and Special Servicer

The Master Servicer or the Special Servicer, as applicable, may, 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. No such notice shall be required in connection with the engagement on a case-by-case basis by the Master 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 Master Servicer or the Special Servicer, as applicable, of any of their respective functions or exercise of its power under the Servicing Agreement. Upon the appointment of any such delegate or subcontractor the Master Servicer or the Special Servicer, as the case may be, will nevertheless remain responsible for the performance of those sub-delegated duties to the Issuer, the Relevant Security Agent and the Trustee. Under separate arrangements, BCMSL currently delegates certain servicing functions to third parties, such as monitoring Insurance Policies and conducting annual property inspections.

Governing law

The Servicing Agreement will be governed by English law.

SELLER/INTEREST RATE SWAP PROVIDER

Barclays Bank PLC is the Seller under the Loan Sale Agreement and will be appointed to act as Interest Rate Swap Provider pursuant to the Interest Rate Swap Agreement.

Barclays Bank PLC

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP. Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Act 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

Barclays Bank PLC and its subsidiary undertakings (taken together, the **Barclays Group**) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Barclays Group and one of the largest financial services companies in the world by market capitalisation.

The short term unsecured obligations of Barclays Bank PLC are rated "A-1+" by S&P, "P-1" by Moody's,"F1+" by Fitch and "R-1 (high)" by DBRS and the long-term obligations of Barclays Bank PLC are rated "AA" by S&P, "Aa1" by Moody's and "AA+" by Fitch.

Based on the Barclays Group's audited financial information for the year ended 31 December 2006, the Barclays Group had total assets of £996,503 million (2005: £924,170 million), total net loans and advances [21] of £313,226 million (2005: £300,001 million), total deposits[22] of £336,316 million (2005: £313,811 million), and total shareholders' equity of £27,106 million (2005: £24,243 million) (including minority interests of £1,685 million (2005: £1,578 million)). The profit before tax of the Barclays Group for the year ended 31 December 2006 was £7,197 million (2005: £5,311 million) after impairment charges on loans and advances and other credit provisions of £2,154 million (2005: £1,571 million). The financial information in this paragraph is extracted from the audited financial statements of the Barclays Group for the year ended 31 December 2006.

The annual report on Form 20-F for the year ended 31 December 2006 of Barclays PLC and Barclays Bank PLC is on file with the Securities and Exchange Commission and Barclays will provide, without charge to each person to whom this prospectus is delivered, on the request of that person, a copy of such Form 20-F. Written requests should be directed to: Barclays Bank PLC, 1 Churchill Place, London E14 5HP, England, Attention: Barclays Group Corporate Secretariat.

None of the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes will be obligations of Barclays or any of its affiliates.

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21 Total net loans and advances include balances relating to both bank and customer accounts.

22 Total deposits include deposits from bank and customer accounts.

LIQUIDITY FACILITY PROVIDER

Danske Bank A/S (**Danske Bank**) was founded in 1871 and has, through the years, merged with a number of financial institutions. Danske Bank is a commercial bank with limited liability and carries on business under the Danish Financial Business Act, Consolidation Act No. 286 of 4 April 2006, as amended.

The registered office of Danske Bank is at Holmens Kanal 2-12, DK-1092 Copenhagen K, Denmark; the telephone number is +45 33 44 00 00; CVR-nr. 61 12 62 28 – København.

The Danske Bank Group (**Danske Group**) provides a wide range of banking, mortgage and insurance products as well as other financial services, and is the largest financial institution in Denmark – and one of the largest financial institutions in the Nordic region – measured by total assets.

The total assets of the consolidated Danske Bank Group were DKK 2,739 billion (USD 483.9 billion) at the end of 2006. Shareholders' equity was DKK 95 billion (USD 16.8 billion) at the end of 2006

The current credit ratings of Danske Bank are as follows: Moody's: "P-1" (short-term) and "Aaa" (long-term), S&P: "A-1+" (short-term) and "AA-" (long-term), Fitch: "F1+" (short-term) and "AA-" (long-term).

ACCOUNT BANK

THE BANK OF NEW YORK

The Bank of New York (the **Bank**) was incorporated, with limited liability by charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its head office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818. Its principal office in the United Kingdom is at One Canada Square, London E14 5AL.

The Bank is a leading provider of corporate trust and agency services. The Bank and its subsidiaries and affiliates administer a portfolio of more than 90,000 trustee and agency appointments, representing $3 trillion in outstanding securities for more than 30,000 clients around the world. The Bank is a recognised leader for trust services in several debt products, including corporate and municipal debt, mortgage-backed and asset-backed securities, derivative securities services and international debt offerings.

As at the date of the Prospectus, the short term unsecured and unsubordinated debt obligations of the Bank are rated "F-1+" by Fitch, "A-1+" by S&P and "P-1" by Moody's and the long-term unsecured and unsubordinated debt obligations of the Account Bank are rated "AA-/A+" by Fitch, "AA-" by S&P and "Aa2" by Moody's.

The Bank of New York Company, Inc. (the **Company**) (NYSE: BK) is a global leader in providing a comprehensive array of services that enable institutions and individuals to move and manage their financial assets in more than 100 markets worldwide. The Company has a long tradition of collaborating with clients to deliver innovative solutions through its core competencies: securities servicing, treasury management, asset management, and private banking services. The Company's extensive global client base includes a broad range of leading financial institutions, corporations, government entities, endowments and foundations. Its principal subsidiary, The Bank of New York, founded in 1784, is the oldest bank in the United States and has consistently played a prominent role in the evolution of financial markets worldwide. Additional information is available at www.bankofny.com.

TRUSTEE DESCRIPTION

BNY Corporate Trustee Services Limited will be appointed pursuant to the Trust Deed as Trustee for the Noteholders.

The Trustee will not be responsible for (a) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties, or (b) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents. The Trustee will not be liable to any Noteholder or other Secured Creditor for any failure to make or to cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Charged Property and has no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.

CASH MANAGEMENT

Cash Manager

On or before the Closing Date the Issuer will enter into a cash management agreement between the Issuer, the Master Servicer, the Special Servicer, the Trustee, the Account Bank, the Cash Manager and the Seller (the **Cash Management Agreement**), pursuant to which each of the Issuer and the Trustee will appoint The Bank of New York (in its capacity as the **Cash Manager**) to be its agent to provide certain cash management services in respect of the Issuer Accounts (the **Cash Management Services**). The Cash Manager will undertake with the Issuer and the Trustee that, in performing the services to be performed and in exercising its discretion under the Cash Management Agreement, the Cash Manager will be required to perform such responsibilities and duties diligently and in conformity with the Issuer's obligations with respect to the transaction and that it will be obliged to comply with any directions, orders and instructions which the Issuer or the Trustee may from time to time give to the Cash Manager in accordance with the provisions of the Cash Management Agreement, the Trust Deed and the Issuer Deed of Charge.

Calculation of Amounts and Payments

Under the Servicing Agreement, the Master Servicer or, in the case of the Agora Max Portfolio Loan, the Relevant Security Agent pursuant to the terms of the Agora Max Intercreditor Agreement is required to identify funds paid under the Credit Agreements and any Related Security, as principal, interest and other amounts on the relevant ledger in accordance with the respective interests of the Issuer, the Junior Lender and the Seller (or its assigns) (if any) in the Loans. The Master Servicer, acting on the basis of information provided by the Relevant Security Agent in the case of the Agora Max Portfolio Loan, will advise the Cash Manager of these determinations and the Cash Manager will allocate funds accordingly. Any such amounts to be paid to the Issuer will be paid to the Transaction Account and credited by the Cash Manager to the relevant ledger set out below. The Cash Manager is required to apply such funds in accordance with the Priority of Payments set out in the Cash Management Agreement and described above. See *Cashflows* above.

The Cash Manager will be authorised to invest any available funds standing to the credit of the Transaction Account, the Class X Principal Account and the Liquidity Stand-by Account (if applicable) in Eligible Investments in accordance with the provisions of the Cash Management Agreement. All amounts earned on such investments of amounts held in the Transaction Account and the Liquidity Stand-by Account will be included in Available Issuer Income.

On each Calculation Date, the Cash Manager is required to determine, from information provided by the Master Servicer in respect of the Collections from the immediately preceding Collection Period, the various amounts required to pay interest and principal due on the Notes on the forthcoming Interest Payment Date and all other amounts then payable by the Issuer and the amounts available to make such payments. In addition, the Cash Manager will calculate the Principal Amount Outstanding for each Class of Notes for the Interest Period commencing on the next following Interest Payment Date and the amount of each principal payment (if any) due on each Class of Notes on the next following Interest Payment Date.

The Cash Manager will from time to time, pay, on behalf of the Issuer, all periodic and non-recurring expenses of the Issuer.

The Cash Manager will make all payments to the Paying Agents as required to carry out an optional redemption of Notes pursuant to **Condition 5.2** (Redemption for taxation or other reasons) or

Condition 5.4 (Redemption upon exercise of Servicer Call Option), in each case according to the provisions of the relevant Condition. See further *Terms and Conditions of the Notes*.

The Cash Manager will make requests for drawings under the Liquidity Facility on behalf of the Issuer in accordance with the terms of the Liquidity Facility Agreement, including Loan Income Deficiency Drawings, Loan Protection Drawings, Expenses Drawings and Revenue Priority Amount Drawings and the Cash Manager will procure the transfer of such drawings to the Transaction Account. See further *Transaction Documents – Liquidity Facility Agreement* above.

If a Relevant Event (as defined in the Liquidity Facility Agreement) occurs and is outstanding in relation to the Liquidity Facility Provider and the Issuer has not entered into a replacement liquidity facility with a Qualifying Bank with the Liquidity Requisite Ratings, the Cash Manager shall within five Business Days of the occurrence of the Relevant Event request on behalf of the Issuer a Liquidity Stand-by Drawing in an amount equal to the undrawn portion of the Liquidity Facility Commitment at that time. In the event that the Cash Manager makes a Liquidity Stand-by Drawing on behalf of the Issuer, the Cash Manager shall procure that the Liquidity Stand-by Drawing is credited to the Liquidity Stand-by Account opened with the Account Bank.

If the Cash Manager fails to make a drawing under the Liquidity Facility when it is required to do so, then either the Issuer or, if the Issuer fails to do so, the Trustee may submit the relevant notice of drawdown.

Qualifying Bank means a Liquidity Facility Provider which is within the charge to UK corporation tax in respect of, and beneficially entitled to, a payment of interest on a Liquidity Loan, where such Liquidity Loan is made by a person that was a bank for the purposes of section 349 of the Income and Corporation Taxes Act 1988 (the **Taxes Act**) (as currently defined in section 840A of the Taxes Act) at the time the Liquidity Loan was made.

Ledgers

The Cash Manager will maintain the following ledgers:

(a) a ledger in respect of revenue (the **Revenue Ledger**);

(b) a ledger in respect of principal (the **Principal Ledger**);

(c) a ledger in respect of repayment of the Adelphi Revolver Loan (the **Adelphi Ledger**)

(d) a ledger in respect of repayment of the GLP Revolver Loan (the **GLP Ledger**);

(e) a ledger in respect of drawings under the Liquidity Facility (the **Liquidity Ledger**);

(f) a ledger in respect of Prepayment Fees (the **Prepayment Fees Ledger**);

(g) a ledger in respect of Break Costs (the **Break Costs Ledger**);

(h) a ledger in respect of Interest Rate Swap Breakage Receipts (the **Interest Rate Swap Breakage Receipts Ledger**);

(i) a ledger in respect of Post Write-off Recovery Funds (the **Post Write-off Recovery Funds Ledger**); and

(j) a ledger in respect of a fixed amount of retained profit of the Issuer being £250 in respect of each Interest Payment Date (the **Tax Reserve Ledger**).

In addition, the Cash Manager will maintain such other ledgers as the Issuer, the Trustee, the Master Servicer or the Special Servicer may from time to time request.

The Cash Manager will from time to time in accordance with the payments made:

(a) credit the Revenue Ledger with all Available Issuer Income, Loan Income Deficiency Drawings, Loan Protection Drawings, Expenses Drawings and Revenue Priority Amount Drawings transferred and credited to the Transaction Account save, in respect of any Loan Protection Drawings and Revenue Priority Amount Drawings, to the extent such drawings are paid directly to the relevant third party recipient to which amounts are owed by the Relevant Borrower and in respect of which such a Loan Protection Drawing or a Revenue Priority Amount Drawing was made and debit the Revenue Ledger with all payments by or on behalf of the Issuer out of Available Issuer Income, Adjusted Available Issuer Income or amounts applied in accordance with the Post-Acceleration Priority of Payments (other than payments made in respect of Post Write-off Recovery Funds, Interest Rate Swap Breakage Receipts allocated to Available Issuer Income or available amounts to be applied under the Post-Acceleration Priority of Payments);

(b) credit the Principal Ledger with all Available Issuer Principal transferred and credited to the Transaction Account and debit the Principal Ledger with all payments made out of Available Issuer Principal or amounts applied in accordance with the Post-Acceleration Priority of Payments (including, Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds each as defined below) (other than payments made in respect of Interest Rate Swap Breakage Receipts allocated to Available Issuer Principal or available amounts to be applied under the Post-Acceleration Priority of Payments);

(c) to the extent the GLP Revolving Credit Facility is undrawn at the Closing Date, credit the GLP Ledger with £1,000,000 of the Note proceeds, credit the GLP Ledger with any amount of principal repaid in respect of the GLP Revolver Loan unless and to the extent the GLP Revolving Credit Facility is no longer available (in which case credit the relevant amount to the Principal Ledger), debit the GLP Ledger for an amount equal to a drawing in respect of the GLP Revolving Credit Facility and debit (if and to the extent the GLP Revolving Credit Facility is no longer available) the GLP Ledger for the full amount standing to the credit of GLP Ledger and credit that amount to the Principal Ledger;

(d) to the extent the Adelphi Revolver Loan is undrawn at the Closing Date, credit the Adelphi Ledger with £1,000,000 of the Note proceeds, credit the Adelphi Ledger with any amount of principal repaid in respect of the Adelphi Revolver Loan unless and to the extent the liquidity rent facility in respect of the Adelphi Revolver Loan is no longer available (in which case credit the relevant amount to the Principal Ledger), debit the Adelphi Ledger for an amount equal to a drawing in respect of the Adelphi Revolver Loan and debit (if and to the extent the liquidity rent facility in respect of the Adelphi Revolver Loan is no longer available) the Adelphi Ledger for the full amount standing to the credit of Adelphi Ledger and credit that amount to the Principal Ledger;

(e) credit the Liquidity Ledger with any amounts paid to the Liquidity Facility Provider on an Interest Payment Date and debit the Liquidity Ledger with all drawings under the Liquidity Facility Agreement;

(f) credit the Prepayment Fees Ledger with all Prepayment Fees transferred and credited to the Transaction Account and debit the Prepayment Fees Ledger with all payments made out of Prepayment Fees;

(g) credit the Break Costs Ledger with all Break Costs transferred and credited to the Transaction Account and debit the Break Costs Ledger with all payments made out of Break Costs;

(h) credit the Interest Rate Swap Breakage Receipts Ledger with all Interest Rate Swap Breakage Receipts transferred and credited to the Transaction Account and debit the Interest Rate Swap Breakage Receipts Ledger with all payments made out of Interest Rate Swap Breakage Receipts;

(i) credit the Post Write-off Recovery Funds Ledger with all Post Write-off Recovery Funds transferred and credited to the Transaction Account and debit the Post Write-off Recovery Funds Ledger with all payments made out of Post Write-off Recovery Funds; and

(j) credit the Tax Reserve Ledger with all amounts retained by the Issuer in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post-Enforcement/Pre-Acceleration Priority of Payments.

Cash Management Quarterly Report

The Cash Manager will three Business Days before each Interest Payment Date deliver to the Issuer, the Trustee, the Master Servicer and the Rating Agencies a report in respect of the immediately preceding Collection Period in which it will notify the recipients of, among other things, all amounts received in the Transaction Account and payments made with respect thereto.

Cash Management Fee

The Issuer will pay to the Cash Manager on each Interest Payment Date a cash management fee as agreed between the Cash Manager and the Issuer and will reimburse the Cash Manager for all out-of-pocket costs and expenses properly incurred by the Cash Manager in the performance of its services. Any successor cash manager will receive remuneration on the same basis.

Termination of Appointment of the Cash Manager

The Issuer or the Trustee may terminate the Cash Manager's appointment upon not less than three months' written notice or immediately upon the occurrence of a termination event, including, among other things:

(a) a failure by the Cash Manager to make when due a payment required to be made by the Cash Manager on behalf of the Issuer;

(b) a default in the performance of any of its other duties under the Cash Management Agreement which continues unremedied for ten Business Days; or

(c) a petition is presented or an effective resolution passed for its winding up or the appointment of an administrator, or similar official.

On the termination of the appointment of the Cash Manager by the Issuer or the Trustee, the Issuer or the Trustee may, subject to certain conditions, appoint a successor cash manager.

In addition, the Cash Manager may resign as Cash Manager upon not less than three months' written notice of resignation to each of the Issuer, the Master Servicer, the Special Servicer, the Seller, the Account Bank and the Trustee provided that a suitably qualified successor Cash Manager shall have been appointed.

Governing law

The Cash Management Agreement will be governed by English law.

ESTIMATED AVERAGE LIVES OF THE NOTES AND ASSUMPTIONS

The average lives of the Notes cannot be predicted because the Loans may, in certain circumstances, be prepaid and a number of other relevant factors are unknown (see also *Risk Factors – Forward-looking Statements* above).

Calculations of possible average lives of the Notes can be made based on certain assumptions. Such assumptions include, without limitation, the following assumptions:

(a) the Loans making up the Loan Pool are not sold by the Issuer;

(b) the Loans do not default, nor are they enforced and no loss arises;

(c) the Closing Date is12 April 2007;

(d) the Issuer exercises its option to redeem the Notes following the exercise by the Master Servicer or the Special Servicer, as the case may be, of the 10 per cent. clean-up call as soon as it is exercisable;

(e) Interest Payment Dates are the 25th of every January, April, July and October, adjusted for non-Business Days with the first Interest Payment Date being 25 April 2007, whether or not such day is a Business Day;

(f) none of the Interest Rate Swap Transactions will be terminated;

(g) the Loans prepay at the rate specific to each scenario set out in the tables below; and

(h) the average lives of the Notes are calculated on an actual/365 day count basis.

The assumptions (other than those set out in paragraphs (c), (e), and (h) 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.

Loan Repayment Profile: The following table shows the Loan repayment profile of the portfolio assuming no prepayments.

Period	Date EOP	Adelphi	Criterion	G-res 1 Portfolio	Nos 2 & 3 Portfolio	Greater London Portfolio	Agora Max	Lloyds Portfolio	Workspace Portfolio	PITCH 2 Portfolio	Grafton Estate Portfolio	Sol Central	Gullwing Portfolio	Snowhill	Wakefield Europort	Forster Hall	Alba Gate Portfolio	St. George Portfolio	Amsterdam Place	Apex	Aggregate Scheduled Amortisation (without Balloon)	Aggregate Scheduled Amortisation (with Balloon)
	Closing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	April 2007	-	137,000	-	-	-	-	78,000	-	-	-	30,000	-	62,500	-	-	34,000	-	24,000	16,000	381,500	381,500
2	July 2007	-	161,000	-	-	-	-	74,000	-	-	-	26,000	-	62,500	-	-	33,000	-	24,000	16,000	396,500	396,500
3	October 2007	-	141,000	-	-	-	-	70,000	-	-	-	24,000	-	62,500	-	-	32,000	-	23,000	15,000	367,500	367,500
4	January 2008	-	143,000	-	-	-	-	71,000	-	-	-	24,000	-	62,500	-	-	33,000	-	24,000	16,000	373,500	373,500
5	April 2008	-	166,000	-	200,000	-	-	77,000	-	-	-	35,000	-	62,500	-	-	34,000	-	25,000	17,000	616,500	616,500
6	July 2008	-	169,000	-	200,000	-	-	79,000	-	-	-	36,000	-	62,500	-	-	35,000	-	25,000	17,000	623,500	623,500
7	October 2008	-	127,000	-	200,000	-	-	75,000	-	-	-	34,000	-	62,500	-	-	34,000	-	25,000	17,000	574,500	574,500
8	January 2009	-	129,000	-	200,000	135,000	-	76,000	-	-	-	34,000	-	62,500	-	-	35,000	-	25,000	15,000	711,500	711,500
9	April 2009	-	173,000	-	200,000	165,000	-	87,000	-	-	-	41,000	-	62,500	-	-	38,000	-	27,000	20,000	813,500	813,500
10	July 2009	-	154,000	-	200,000	121,000	-	83,000	-	-	-	48,000	-	62,500	-	-	37,000	-	27,000	19,000	751,500	751,500
11	October 2009	-	135,000	-	200,000	146,000	-	79,000	-	-	-	46,000	-	62,500	-	-	36,000	-	26,000	16,000	746,500	746,500
12	January 2010	-	137,000	-	200,000	159,000	-	80,000	-	-	-	46,000	-	62,500	-	-	18,000	-	27,000	18,000	747,500	747,500
13	April 2010	-	181,000	-	200,000	141,000	-	92,000	-	-	-	52,000	-	11,062,500	-	-	-	-	29,000	20,000	715,000	11,777,500
14	July 2010	-	162,000	-	200,000	167,000	-	88,000	-	-	-	50,000	-	-	-	-	-	-	28,000	19,000	714,000	714,000
15	October 2010	-	143,000	-	200,000	175,000	-	84,000	-	-	-	47,000	-	-	-	-	-	-	28,000	19,000	696,000	696,000
16	January 2011	-	145,000	-	200,000	193,000	-	86,000	-	-	-	48,000	13,127,816	-	-	-	-	-	28,000	20,000	720,000	13,847,816
17	April 2011	-	189,000	-	200,000	259,000	68,315,000	97,000	-	-	-	56,000	-	-	-	-	-	-	31,000	20,000	852,000	69,167,000
18	July 2011	-	171,000	-	200,000	252,000	-	93,000	-	-	-	71,000	-	-	-	-	-	-	30,000	20,000	837,000	837,000
19	October 2011	215,622,248	152,000	-	200,000	71,287,000	-	90,000	-	-	20,000,000	69,000	-	-	-	-	10,000	-	30,000	21,000	572,000	307,481,248
20	January 2012	-	154,000	-	200,000	-	-	91,000	-	-	-	70,000	-	-	-	-	10,000	-	30,000	20,000	575,000	575,000
21	April 2012	-	177,000	-	200,000	-	-	97,000	-	-	-	75,000	-	-	-	-	11,000	-	32,000	21,000	613,000	613,000
22	July 2012	-	179,000	-	200,000	-	-	31,445,000	-	-	-	58,000	-	-	-	-	28,000	-	32,000	22,000	519,000	31,964,000
23	October 2012	-	160,000	-	200,000	-	-	-	-	-	-	56,000	-	-	-	-	38,000	-	32,000	21,000	507,000	507,000
24	January 2013	-	163,000	-	200,000	-	-	-	26,565,000	-	-	57,000	-	-	-	-	39,000	-	32,000	22,000	513,000	27,078,000
25	April 2013	-	207,000	-	200,000	-	-	-	-	-	-	64,000	-	-	-	-	42,000	-	34,000	23,000	570,000	570,000
26	July 2013	-	159,000	-	200,000	-	-	-	-	-	-	61,000	-	-	-	10,200,000	41,000	-	34,000	23,000	518,000	10,718,000
27	October 2013	-	151,000	-	200,000	-	-	-	-	22,219,075	-	59,000	-	-	-	-	7,580,650	6,247,500	34,000	23,000	467,000	36,514,225
28	January 2014	-	153,000	125,000,000	200,000	-	-	-	-	-	-	60,000	-	-	-	-	-	-	34,000	23,000	470,000	125,470,000
29	April 2014	-	197,000	-	200,000	-	-	-	-	-	-	67,000	-	-	-	-	-	-	36,000	3,911,500	500,000	4,411,500
30	July 2014	-	178,000	-	200,000	-	-xxx	-	-	-	-	66,000	-	-	-	-	-	-	36,000	-	480,000	480,000
31	October 2014	-	160,000	-	200,000	-	-	-	-	-	-	64,000	-	-	-	-	-	-	4,710,000	-	424,000	5,134,000
32	January 2015	-	162,000	-	200,000	-	-	-	-	-	-	65,000	-	-	-	-	-	-	-	-	427,000	427,000

Period	Date EOP	Adelphi	Criterion	G-res 1 Portfolio	Nos 2 & 3 Portfolio	Greater London Portfolio	Agora Max	Lloyds Portfolio	Workspace Portfolio	PITCH 2 Portfolio	Grafton Estate Portfolio	Sol Central	Gullwing Portfolio	Snowhill	Wakefield Europort	Forster Hall	Alba Gate Portfolio	St. George Portfolio	Amsterdam Place	Apex	Aggregate Scheduled Amortisation (without Balloon)	Aggregate Scheduled Amortisation (with Balloon)
33	April 2015	-	206,000	-	200,000	-	-	-	-	-	-	72,000	-	-	-	-	-	-	-	-	478,000	478,000
34	July 2015	-	120,679,000	-	200,000	-	-	-	-	-	-	65,000	-	-	-	-	-	-	-	-	265,000	120,944,000
35	October 2015	-	-	-	200,000	-	-	-	-	-	-	16,000	-	-	-	-	-	-	-	-	216,000	216,000
36	January 2016	-	-	-	200,000	-	-	-	-	-	-	26,000	-	-	-	-	-	-	-	-	226,000	226,000
37	April 2016	-	-	-	200,000	-	-	-	-	-	-	16,530,000	-	-	-	-	-	-	-	-	200,000	216,000
38	July 2016	-	-	-	200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000
39	October 2016	-	-	-	200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000
40	January 2017	-	-	-	88,606,455	-	-	-	-	-	-	-	-	-	10,745,000	-	-	-	-	-	-	99,351,455

Scenario 1: 0% CPR: The following table shows the percentage of initial balances outstanding and subordination of the Notes assuming a 0% annual Constant Prepayment Rate (**CPR**).

	Notes Decreasing Balance (End of Period)							Subordination				
Payment Date	Loans	Class A	Class B	Class C	Class D	Class E	Total	Class A	Class B	Class C	Class D	Class E
Closing	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	18.5%	13.1%	7.1%	1.1%	0.0%
April 2007	100.0%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	18.5%	13.1%	7.1%	1.1%	0.0%
July 2007	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	99.9%	18.5%	13.1%	7.1%	1.1%	0.0%
October 2007	99.9%	99.8%	100.0%	100.0%	100.0%	100.0%	99.9%	18.5%	13.1%	7.1%	1.1%	0.0%
January 2008	99.8%	99.8%	100.0%	100.0%	100.0%	100.0%	99.8%	18.5%	13.2%	7.1%	1.1%	0.0%
April 2008	99.8%	99.7%	100.0%	100.0%	100.0%	100.0%	99.8%	18.5%	13.2%	7.1%	1.1%	0.0%
July 2008	99.7%	99.6%	100.0%	100.0%	100.0%	100.0%	99.7%	18.6%	13.2%	7.1%	1.1%	0.0%
October 2008	99.6%	99.5%	100.0%	100.0%	100.0%	100.0%	99.6%	18.6%	13.2%	7.1%	1.1%	0.0%
January 2009	99.5%	99.4%	100.0%	100.0%	100.0%	100.0%	99.5%	18.6%	13.2%	7.1%	1.1%	0.0%
April 2009	99.5%	99.3%	100.0%	100.0%	100.0%	100.0%	99.5%	18.6%	13.2%	7.1%	1.1%	0.0%
July 2009	99.4%	99.2%	100.0%	100.0%	100.0%	100.0%	99.4%	18.6%	13.2%	7.1%	1.1%	0.0%
October 2009	99.3%	99.1%	100.0%	100.0%	100.0%	100.0%	99.3%	18.6%	13.2%	7.1%	1.1%	0.0%
January 2010	99.2%	99.0%	100.0%	100.0%	100.0%	100.0%	99.2%	18.6%	13.2%	7.1%	1.1%	0.0%
April 2010	97.9%	97.6%	99.4%	99.4%	99.4%	99.4%	97.9%	18.8%	13.3%	7.2%	1.1%	0.0%
July 2010	97.8%	97.5%	99.4%	99.4%	99.4%	99.4%	97.8%	18.8%	13.3%	7.2%	1.1%	0.0%
October 2010	97.7%	97.4%	99.4%	99.4%	99.4%	99.4%	97.7%	18.8%	13.3%	7.2%	1.1%	0.0%
January 2011	96.2%	95.8%	97.9%	97.9%	97.9%	97.9%	96.2%	18.8%	13.4%	7.2%	1.1%	0.0%
April 2011	88.5%	88.0%	90.0%	90.0%	90.0%	97.9%	88.5%	18.9%	13.5%	7.3%	1.2%	0.0%
July 2011	88.4%	87.9%	90.0%	90.0%	90.0%	97.9%	88.4%	18.9%	13.5%	7.3%	1.2%	0.0%
October 2011	54.0%	51.1%	65.5%	65.5%	65.5%	85.3%	54.0%	22.8%	16.3%	9.0%	1.8%	0.0%
January 2012	53.9%	51.0%	65.5%	65.5%	65.5%	85.3%	53.9%	22.9%	16.3%	9.0%	1.8%	0.0%
April 2012	53.8%	50.9%	65.5%	65.5%	65.5%	85.3%	53.8%	22.9%	16.4%	9.0%	1.8%	0.0%
July 2012	50.3%	47.1%	63.3%	63.3%	63.3%	82.4%	50.3%	23.7%	16.9%	9.3%	1.8%	0.0%
October 2012	50.2%	47.0%	63.3%	63.3%	63.3%	82.4%	50.2%	23.7%	17.0%	9.4%	1.8%	0.0%
January 2013	47.2%	43.7%	61.3%	61.3%	61.3%	79.9%	47.2%	24.5%	17.5%	9.7%	1.9%	0.0%
April 2013	47.1%	43.6%	61.3%	61.3%	61.3%	79.9%	47.1%	24.5%	17.5%	9.7%	1.9%	0.0%

Notes Decreasing Balance (End of Period)								Subordination				
July 2013	45.9%	42.2%	61.3%	61.3%	61.3%	79.9%	45.9%	25.1%	18.0%	9.9%	1.9%	0.0%
October 2013	41.8%	37.3%	60.7%	60.7%	60.7%	79.1%	41.8%	27.3%	19.5%	10.8%	2.1%	0.0%
January 2014	27.8%	20.1%	60.7%	60.7%	60.7%	79.1%	27.8%	41.1%	29.4%	16.2%	3.2%	0.0%
April 2014	27.3%	19.7%	59.8%	59.8%	59.8%	77.8%	27.3%	41.2%	29.4%	16.2%	3.2%	0.0%
July 2014	27.3%	19.7%	59.8%	59.8%	59.8%	77.8%	27.3%	41.3%	29.5%	16.3%	3.2%	0.0%
October 2014	26.7%	19.1%	59.2%	59.2%	59.2%	77.1%	26.7%	41.7%	29.8%	16.5%	3.2%	0.0%
January 2015	26.6%	19.0%	59.2%	59.2%	59.2%	77.1%	26.6%	41.8%	29.9%	16.5%	3.2%	0.0%
April 2015	26.6%	19.0%	59.2%	59.2%	59.2%	77.1%	26.6%	41.9%	30.0%	16.5%	3.2%	0.0%
July 2015	13.1%	6.9%	38.1%	38.1%	38.1%	77.1%	13.1%	57.2%	41.6%	24.0%	6.5%	0.0%
Oct2015	13.0%	6.8%	38.1%	38.1%	38.1%	77.1%	13.0%	57.3%	41.7%	24.0%	6.6%	0.0%
Jan-2016	13.0%	6.8%	38.1%	38.1%	38.1%	77.1%	13.0%	57.5%	41.8%	24.1%	6.6%	0.0%
Apr-2016	11.2%	5.2%	35.2%	35.2%	35.2%	71.2%	11.2%	62.0%	45.0%	26.0%	7.1%	0.0%
Jul-2016	11.1%	5.2%	35.2%	35.2%	35.2%	71.2%	11.1%	62.1%	45.1%	26.0%	7.1%	0.0%
Oct-2016	11.1%	5.1%	35.2%	35.2%	35.2%	71.2%	11.1%	62.2%	45.2%	26.1%	7.1%	0.0%
Jan-2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Apr-2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Jul-2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Oct-2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Jan-2018	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Apr-2018	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Life		5.86 yrs	7.35 yrs	7.35 yrs	7.35 yrs	8.65 yrs	**6.15 yrs**					
First Principal Payment Date		25/04/2007	26/04/2010	26/04/2010	26/04/2010	26/04/2010	25/04/2007					
Last Principal Payment Date		25/01/2017	25/01/2017	25/01/2017	25/01/2017	25/01/2017	25/01/2017					

Scenario 2: 2.5% CPR: The following table shows the percentage of initial balances outstanding and subordination of the Notes assuming a 2.5% annual CPR.

Notes Decreasing Balance (End of Period)								Subordination				
Payment Date	Loans	Class A	Class B	Class C	Class D	Class E	Total	Class A	Class B	Class C	Class D	Class E
Closing	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	18.5%	13.1%	7.1%	1.1%	0.0%
April 2007	99.3%	99.2%	99.7%	99.7%	99.7%	99.9%	99.3%	18.6%	13.2%	7.1%	1.1%	0.0%
July 2007	98.7%	98.5%	99.4%	99.4%	99.4%	99.7%	98.7%	18.6%	13.2%	7.1%	1.1%	0.0%
October 2007	98.0%	97.7%	99.1%	99.1%	99.1%	99.6%	98.0%	18.7%	13.3%	7.2%	1.1%	0.0%
January 2008	97.3%	97.0%	98.8%	98.8%	98.8%	99.5%	97.3%	18.8%	13.3%	7.2%	1.1%	0.0%
April 2008	96.7%	96.2%	98.5%	98.5%	98.5%	99.3%	96.7%	18.9%	13.4%	7.2%	1.1%	0.0%
July 2008	96.0%	95.5%	98.2%	98.2%	98.2%	99.2%	96.0%	18.9%	13.4%	7.3%	1.1%	0.0%
October 2008	95.3%	94.7%	97.9%	97.9%	97.9%	99.1%	95.3%	19.0%	13.5%	7.3%	1.2%	0.0%
January 2009	94.6%	93.9%	97.6%	97.6%	97.6%	98.9%	94.6%	19.1%	13.6%	7.3%	1.2%	0.0%
April 2009	93.9%	93.2%	97.3%	97.3%	97.3%	98.8%	93.9%	19.2%	13.6%	7.4%	1.2%	0.0%
July 2009	93.3%	92.4%	97.0%	97.0%	97.0%	98.7%	93.3%	19.3%	13.7%	7.4%	1.2%	0.0%
October 2009	92.6%	91.7%	96.7%	96.7%	96.7%	98.5%	92.6%	19.3%	13.7%	7.4%	1.2%	0.0%
January 2010	91.9%	90.9%	96.4%	96.4%	96.4%	98.4%	91.9%	19.4%	13.8%	7.5%	1.2%	0.0%
April 2010	90.2%	88.9%	95.5%	95.5%	95.5%	97.6%	90.2%	19.6%	13.9%	7.5%	1.2%	0.0%
July 2010	89.5%	88.2%	95.2%	95.2%	95.2%	97.5%	89.5%	19.7%	14.0%	7.6%	1.2%	0.0%
October 2010	88.9%	87.5%	94.9%	94.9%	94.9%	97.4%	88.9%	19.8%	14.1%	7.6%	1.2%	0.0%
January 2011	86.9%	85.5%	93.2%	93.2%	93.2%	95.8%	86.9%	19.9%	14.1%	7.6%	1.2%	0.0%
April 2011	79.4%	77.9%	85.4%	85.4%	85.4%	95.7%	79.4%	20.0%	14.3%	7.8%	1.3%	0.0%
July 2011	78.8%	77.3%	85.2%	85.2%	85.2%	95.5%	78.8%	20.1%	14.3%	7.8%	1.3%	0.0%
October 2011	47.9%	44.4%	61.8%	61.8%	61.8%	83.1%	47.9%	24.4%	17.4%	9.6%	1.9%	0.0%
January 2012	47.5%	44.0%	61.6%	61.6%	61.6%	83.0%	47.5%	24.5%	17.5%	9.7%	1.9%	0.0%
April 2012	47.1%	43.6%	61.5%	61.5%	61.5%	82.9%	47.1%	24.6%	17.6%	9.8%	2.0%	0.0%
July 2012	43.7%	39.9%	59.3%	59.3%	59.3%	80.0%	43.7%	25.6%	18.3%	10.1%	2.0%	0.0%
October 2012	43.4%	39.6%	59.2%	59.2%	59.2%	79.9%	43.4%	25.7%	18.4%	10.2%	2.0%	0.0%
January 2013	40.5%	36.5%	57.3%	57.3%	57.3%	77.4%	40.5%	26.7%	19.1%	10.6%	2.1%	0.0%
April 2013	40.2%	36.1%	57.1%	57.1%	57.1%	77.3%	40.2%	26.8%	19.2%	10.6%	2.1%	0.0%

Notes Decreasing Balance (End of Period)								Subordination				
July 2013	39.0%	34.6%	57.0%	57.0%	57.0%	77.2%	39.0%	27.7%	19.8%	11.0%	2.2%	0.0%
October 2013	35.3%	30.2%	56.3%	56.3%	56.3%	76.4%	35.3%	30.2%	21.6%	12.0%	2.4%	0.0%
January 2014	23.3%	15.6%	56.2%	56.2%	56.2%	76.2%	23.3%	45.5%	32.6%	18.1%	3.6%	0.0%
April 2014	22.7%	15.1%	55.1%	55.1%	55.1%	74.9%	22.7%	45.8%	32.8%	18.2%	3.7%	0.0%
July 2014	22.6%	14.9%	54.9%	54.9%	54.9%	74.8%	22.6%	46.0%	33.0%	18.3%	3.7%	0.0%
October 2014	21.9%	14.3%	54.2%	54.2%	54.2%	74.0%	21.9%	46.7%	33.5%	18.5%	3.7%	0.0%
January 2015	21.8%	14.2%	54.1%	54.1%	54.1%	73.9%	21.8%	47.0%	33.6%	18.6%	3.8%	0.0%
April 2015	21.6%	14.0%	53.9%	53.9%	53.9%	73.8%	21.6%	47.2%	33.8%	18.7%	3.8%	0.0%
July 2015	10.5%	4.6%	34.4%	34.4%	34.4%	73.6%	10.5%	64.5%	47.0%	27.3%	7.7%	0.0%
October 2015	10.5%	4.5%	34.3%	34.3%	34.3%	73.3%	10.5%	64.9%	47.2%	27.4%	7.8%	0.0%
January 2016	10.4%	4.4%	34.2%	34.2%	34.2%	73.1%	10.4%	65.2%	47.5%	27.6%	7.8%	0.0%
April 2016	8.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
July 2016	8.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
October 2016	8.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
April 2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
July 2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
October 2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 2018	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
April 2018	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Life		5.28 yrs	6.76 yrs	6.76 yrs	6.76 yrs	7.93 yrs	**5.57 yrs**					
First Principal Payment Date		25/04/2007	25/04/2007	25/04/2007	25/04/2007	25/04/2007	25/04/2007					
Last Principal Payment Date		25/04/2016	25/04/2016	25/04/2016	25/04/2016	25/04/2016	25/04/2016					

Scenario 3: 5.0% CPR: The following table shows the percentage of initial balances outstanding and subordination of the Notes assuming a 5.0% annual CPR.

	Notes Decreasing Balance (End of Period)							Subordination				
Payment Date	Loans	A	B	C	D	E	Total	A	B	C	D	E
March 2007	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	18.5%	13.1%	7.1%	1.1%	0.0%
April 2007	98.7%	98.5%	99.4%	99.4%	99.4%	99.7%	98.7%	18.6%	13.2%	7.1%	1.1%	0.0%
July 2007	97.4%	97.1%	98.8%	98.8%	98.8%	99.5%	97.4%	18.8%	13.3%	7.2%	1.1%	0.0%
October 2007	96.1%	95.6%	98.2%	98.2%	98.2%	99.2%	96.1%	18.9%	13.4%	7.3%	1.1%	0.0%
January 2008	94.8%	94.2%	97.5%	97.5%	97.5%	98.9%	94.8%	19.0%	13.5%	7.3%	1.2%	0.0%
April 2008	93.6%	92.8%	96.9%	96.9%	96.9%	98.6%	93.6%	19.2%	13.6%	7.4%	1.2%	0.0%
July 2008	92.3%	91.4%	96.3%	96.3%	96.3%	98.4%	92.3%	19.3%	13.7%	7.4%	1.2%	0.0%
October 2008	91.1%	90.0%	95.7%	95.7%	95.7%	98.1%	91.1%	19.5%	13.8%	7.5%	1.2%	0.0%
January 2009	89.8%	88.6%	95.1%	95.1%	95.1%	97.8%	89.8%	19.6%	13.9%	7.5%	1.2%	0.0%
April 2009	88.6%	87.2%	94.6%	94.6%	94.6%	97.6%	88.6%	19.8%	14.0%	7.6%	1.2%	0.0%
July 2009	87.4%	85.9%	94.0%	94.0%	94.0%	97.3%	87.4%	19.9%	14.2%	7.7%	1.2%	0.0%
October 2009	86.2%	84.6%	93.4%	93.4%	93.4%	97.0%	86.2%	20.1%	14.3%	7.7%	1.2%	0.0%
January 2010	85.1%	83.2%	92.8%	92.8%	92.8%	96.8%	85.1%	20.2%	14.4%	7.8%	1.3%	0.0%
April 2010	82.9%	80.8%	91.7%	91.7%	91.7%	95.9%	82.9%	20.5%	14.6%	7.9%	1.3%	0.0%
July 2010	81.7%	79.6%	91.1%	91.1%	91.1%	95.6%	81.7%	20.7%	14.7%	8.0%	1.3%	0.0%
October 2010	80.6%	78.3%	90.5%	90.5%	90.5%	95.4%	80.6%	20.8%	14.8%	8.0%	1.3%	0.0%
January 2011	78.3%	75.9%	88.6%	88.6%	88.6%	93.7%	78.3%	21.0%	14.9%	8.1%	1.3%	0.0%
April 2011	71.1%	68.7%	81.0%	81.0%	81.0%	93.5%	71.1%	21.3%	15.1%	8.3%	1.5%	0.0%
July 2011	70.1%	67.6%	80.5%	80.5%	80.5%	93.2%	70.1%	21.4%	15.3%	8.3%	1.5%	0.0%
October 2011	42.3%	38.4%	58.2%	58.2%	58.2%	80.9%	42.3%	26.0%	18.6%	10.3%	2.1%	0.0%
January 2012	41.7%	37.7%	57.9%	57.9%	57.9%	80.7%	41.7%	26.3%	18.8%	10.4%	2.1%	0.0%
April 2012	41.1%	37.1%	57.7%	57.7%	57.7%	80.5%	41.1%	26.5%	19.0%	10.6%	2.2%	0.0%
July 2012	37.9%	33.6%	55.5%	55.5%	55.5%	77.6%	37.9%	27.7%	19.9%	11.0%	2.3%	0.0%
October 2012	37.4%	33.0%	55.3%	55.3%	55.3%	77.4%	37.4%	28.0%	20.1%	11.1%	2.3%	0.0%
January 2013	34.7%	30.2%	53.3%	53.3%	53.3%	74.9%	34.7%	29.1%	20.9%	11.6%	2.4%	0.0%
April 2013	34.2%	29.6%	53.1%	53.1%	53.1%	74.7%	34.2%	29.4%	21.1%	11.7%	2.4%	0.0%

Notes Decreasing Balance (End of Period)								Subordination				
July 2013	32.9%	28.1%	52.9%	52.9%	52.9%	74.6%	32.9%	30.5%	21.8%	12.1%	2.5%	0.0%
October 2013	29.6%	24.2%	52.2%	52.2%	52.2%	73.7%	29.6%	33.4%	23.9%	13.3%	2.8%	0.0%
January 2014	19.4%	11.8%	51.8%	51.8%	51.8%	73.4%	19.4%	50.6%	36.3%	20.2%	4.2%	0.0%
April 2014	18.8%	11.3%	50.7%	50.7%	50.7%	72.0%	18.8%	51.0%	36.6%	20.3%	4.2%	0.0%
July 2014	18.6%	11.0%	50.4%	50.4%	50.4%	71.8%	18.6%	51.5%	36.9%	20.5%	4.3%	0.0%
October 2014	17.9%	10.5%	49.6%	49.6%	49.6%	70.9%	17.9%	52.4%	37.6%	20.9%	4.4%	0.0%
January 2015	17.7%	10.2%	49.3%	49.3%	49.3%	70.7%	17.7%	52.9%	37.9%	21.1%	4.4%	0.0%
April 2015	17.4%	10.0%	48.9%	48.9%	48.9%	70.5%	17.4%	53.4%	38.3%	21.3%	4.5%	0.0%
July 2015	8.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
October 2015	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 2016	8.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
April 2016	6.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
July 2016	6.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
October 2016	6.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
April 2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
July 2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
October 2017	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 2018	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
April 2018	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Life		4.78 yrs	6.23 yrs	6.23 yrs	6.23 yrs	7.22 yrs	**5.06 yrs**					
First Principal Payment Date		25/04/2007	25/04/2007	25/04/2007	25/04/2007	25/04/2007	25/04/2007					
Last Principal Payment Date		27/07/2015	27/07/2015	27/07/2015	27/07/2015	27/07/2015	27/07/2015					

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be £894,530,000 and this sum (other than the issue proceeds of the Class X Notes) subject to the amount drawn under each of the Adelphi Revolver Loan and the GLP Revolver Loan on the Closing Date, will be applied by the Issuer towards payment to the Seller on the Closing Date, pursuant to the terms of the Loan Sale Agreement, of the initial purchase consideration for the Loans and the related interests in the Loan Security. Fees, commissions and expenses incurred by the Issuer in connection with the issue of the Notes will be met by Barclays Bank PLC. The net proceeds from the issue of the Class X Notes will be deposited in the Class X Principal Account.

To the extent that each of the Adelphi Revolver Loan and the GLP Revolving Credit Facility is not drawn in full on the Closing Date, an amount of up to £2,000,000 will be retained in the Transaction Account and an amount of up to £1,000,000 will be credited to each of the Adelphi Ledger and the GLP Ledger.

FORM OF THE NOTES

Global Notes

Each class of the Notes will, on the Closing Date, be represented by a Reg S Global Note and a Rule 144A Global Note of the relevant class in bearer form (all such Global Notes being referred to as the **Global Notes**).

The Global Notes will be deposited on or about the Closing Date with The Bank of New York (Luxembourg) S.A. as the Depositary pursuant to the terms of the Depositary Agreement.

The Depositary will issue CDIs in respect of each of the Global Notes to the Common Depositary registered in the nominee name of both Euroclear and Clearstream, Luxembourg, such CDIs representing a 100 per cent. interest in the underlying Global Note relating thereto. The Depositary, acting as agent of the Issuer, will maintain a book-entry system in which it will register the Common Depositary or a nominee of the Common Depositary as owner of the CDIs.

Upon confirmation by the Common Depositary that the Depositary has custody of the relevant Global Notes and acceptance by the Common Depositary of the CDIs, Euroclear or Clearstream, Luxembourg, as the case may be, will record Book-Entry Interests representing beneficial interests in the relevant CDIs attributable thereto.

For the avoidance of doubt all references in this section to a **Book-Entry Interest** in a Global Note shall be construed as a reference to a Book-Entry Interest in the CDIs attributable thereto.

Book-Entry Interests in respect of Global Notes will be recorded in initial minimum denominations of £50,000 and £1,000 thereafter (an **Authorised Denomination**) and will be numbered by the Depositary as appropriate. Ownership of Book-Entry Interests will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg (**Direct Participants**) or persons that hold interests in the Book-Entry Interests through participants (**Indirect Participants**), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the participants' accounts with the respective Book-Entry Interests beneficially owned by such Direct Participants on each of their respective book-entry registration and transfer systems. The accounts to be credited shall be designated by the Lead Manager. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or, Clearstream, Luxembourg (with respect to the interests of their Direct Participants) and on the records of Direct Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability of persons within such jurisdiction or otherwise subject to the laws thereof to own, transfer or pledge Book-Entry Interests.

So long as the Depositary or its nominee is the holder of the Global Notes underlying the Book-Entry Interests, the Depositary or such nominee, as the case may be, will be considered the sole Noteholder for all purposes under the Trust Deed. Except as set forth below under – *Issuance of Definitive Notes*, Direct Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive bearer or registered form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person

holding a Book-Entry Interest must rely on the rules and procedures of the Depositary and Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Direct Participant or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes under the Trust Deed. See – *Action in Respect of the Global Notes and the Book-Entry Interests*.

Unlike legal owners or holders of the Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of a Note Event of Default under the Global Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear, Clearstream, Luxembourg and the Depositary unless and until Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear, Clearstream, Luxembourg and the Depositary under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

In the case of the Global Notes, unless and until Book-Entry Interests are exchanged for Definitive Notes, the CDIs held by the Common Depositary may not be transferred except as a whole by the Common Depositary to a successor of the Common Depositary.

Purchasers of Book-Entry Interests in a Global Note pursuant to Rule 144A will hold Book-Entry Interests in the Rule 144A Global Note relating thereto and purchasers of Book-Entry Interests in a Global Note pursuant to Regulation S will hold Book-Entry Interests in the Reg S Global Note relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set forth under – *Transfers and Transfer Restrictions*), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in each Global Note on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Direct Participants or account holders of their respective obligations under the rules and procedures governing their operations.

Payments on Global Notes

Payment of principal of and interest on, and any other amount due in respect of, the Global Notes will be made in sterling by the Principal Paying Agent on behalf of the Issuer to the Depositary as the holder thereof. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for its share of any amounts paid by or on behalf of the Issuer to the Depositary in respect of those Book-Entry Interests. Upon receipt of any payment of principal or interest or any other amount in respect of a Global Note, the Depositary will distribute all such payments in sterling subject to as provided below under – *Agency Agreement and Denomination of*

Payments, to the nominee for the Common Depositary. All such payments will be distributed without deduction or withholding for any UK taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Depositary to the Common Depositary, the respective systems will promptly credit their Direct Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or of Clearstream, Luxembourg. The Issuer expects that payments by Direct Participants to owners of interests in Book-Entry Interests held through such Direct Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Direct Participants or Indirect Participants. None of the Issuer, the Trustee or any other agent of the Issuer or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Direct Participant's ownership of Book-Entry Interests, specifying to the Issuer the rates upon which the same are based and (where relevant) the names of the banks quoting such rates, provided that the Agent Bank shall make such determination and calculation in relation to each Class of Notes on the basis of **Condition 4** (Interest).

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if either the Issuer or Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give

instructions or take any action that a holder is entitled to give or take under the Trust Deed, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the Direct Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Direct Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Redemption

In the event that any Global Note (or portion thereof) is redeemed, the Depositary will deliver all amounts received by it in respect of the redemption of such Global Note to the nominee of the Common Depositary, and, upon final payment, surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Depositary in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of a Global Note in part, the Depositary shall allocate reductions in the Principal Amount Outstanding on a *pro rata* basis among the CDIs. Upon any redemption in part, the Depositary will cause the Principal Paying Agent to mark down or to cause to be marked down the schedule to such Global Note by the principal amount so redeemed.

Transfers and Transfer Restrictions

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See – *Global Notes* above.

Each Rule 144A Global Note will bear a legend substantially identical to that appearing under *Transfer Restrictions*, and the holder of any Rule 144A Global Note and any Book-Entry Interest in such Rule 144A Global Note will undertake that it will not transfer such Notes except in compliance with the transfer restrictions set forth in such legend. A Book-Entry Interest in a Rule 144A Global Note of one class may be transferred to a person who takes delivery in the form of a Book-Entry Interest in the Reg S Global Note of the same class only upon receipt by the Depositary of a written certification from the transferor (in the form provided in the Depositary Agreement) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144 under the Securities Act (if available).

Each Reg S Global Note will bear a legend substantially identical to that appearing under *Transfer Restrictions*. Until 40 days after the later of the commencement of the offering of the Notes and the Closing Date (the **Distribution Compliance Period**), Prior to the expiration of the Distribution Compliance Period, a Book-Entry Interest in a Reg S Global Note of one class may be transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note of the same class only upon receipt by the Depositary of written certification from the transferor (in the form provided in the Depositary Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is purchasing for its own account or for an account or accounts as to which it exercises sole investment discretion and that such person and such account or accounts is a "qualified institutional buyer" within the meaning of Rule 144A and a "qualified purchaser" within the meaning of Section 2(A)(51) of the Investment Company Act, in each case, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Any Book-Entry Interest in a Reg S Global Note of one class that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note of the same class will, upon transfer, cease to be represented by a Book-Entry Interest in such Reg S Global Note and will become represented by a Book-Entry Interest in such Rule 144A Global Note and, accordingly, will

thereafter be subject to all transfer restrictions and other procedures applicable to Book-Entry Interests in a Rule 144A Global Note for as long as it remains such a Book-Entry Interest. Any Book-Entry Interest in a Rule 144A Global Note of one class that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Reg S Global Note of the same class will, upon transfer, cease to be represented by a Book-Entry Interest in such Rule 144A Global Note and will become represented by a Book-Entry Interest in such Reg S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Book-Entry Interests in a Reg S Global Note as long as it remains such a Book-Entry Interest.

Issuance of Definitive Notes

Holders of Book-Entry Interests in a Global Note will be entitled to receive Definitive Notes of the relevant class in registered form in exchange for their respective holdings of Book-Entry Interests if (i) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory otherwise) or announce an intention permanently to cease business or do so cease to do business and no alternative clearing system satisfactory to the Trustee is available, or (ii) if the Depositary notifies the Issuer that it is at any time unwilling or unable to continue as Depositary and a successor Depositary is not able to be appointed by the Issuer with the prior written consent of the Trustee within 90 days, or (iii) an Enforcement Notice has been given by the Trustee to the Issuer, or (iv) the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any applicable jurisdiction (including payments being made net of tax), which would not be suffered were the relevant Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is delivered to the Trustee. Any registered Definitive Notes issued in exchange for Book-Entry Interests in a Rule 144A Global Note or a Reg S Global Note will be registered by a registrar in such name or names as the Depositary shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg, as the case may be. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their Participants with respect to ownership of the relevant Book-Entry Interests. Holders of Definitive Notes issued in exchange for Book-Entry Interests in a Rule 144A Global Note or a Reg S Global Note, as the case may be, will not be entitled to exchange such Definitive Notes for Book-Entry Interests in a Reg S Global Note or a Rule 144A Global Note, as the case may be. Any Definitive Notes will be issued in registered form only.

The Depositary Agreement

Action in Respect of the Global Notes and the Book-Entry Interests

Not later than ten days after receipt by the Depositary of any notices in respect of the Global Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Notes, the Depositary will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Depositary as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear and Clearstream, Luxembourg, as applicable, the Depositary shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Notes in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under – *Global Notes* above with respect to soliciting instructions from their respective Participants. The Depositary will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

Action by Depositary

Subject to certain limitations, upon the occurrence of a Note Event of Default with respect to the Global Notes, or in connection with any other right of the holder of the Global Notes under the Trust Deed or the Depositary Agreement, if requested in writing by Euroclear or Clearstream, Luxembourg, as applicable (acting on the instructions of their respective Participants in accordance with their respective procedures), the Depositary will take any such action as shall be requested in such notice, subject to, if required by the Depositary, such reasonable security or indemnity from the Participants against the costs, expenses and liabilities that the Depositary might properly incur in compliance with such request.

Charges of Depositary

The Issuer has agreed to pay all charges of the Depositary under the Depositary Agreement. The Issuer has also agreed to indemnify the Depositary against certain liabilities incurred by it under the Depositary Agreement.

Amendment and Termination

The Depositary Agreement may be amended by agreement among the Issuer, the Depositary and the Trustee. The consent of Euroclear and Clearstream, Luxembourg or the holders of any Book-Entry Interests shall not be required in connection with any amendment made to the Depositary Agreement (i) to cure any inconsistency, omission, defect or ambiguity in such Agreement; (ii) to add to the covenants and agreements of the Depositary or the Issuer; (iii) to effect the assignment of the Depositary's rights and duties to a qualified successor; (iv) to comply with the Securities Act, the Exchange Act or the Investment Company Act; or (v) to modify, alter, amend or supplement the Depositary Agreement in any other manner that is not adverse to Euroclear and Clearstream, Luxembourg or the holders of Book-Entry Interests. Except as set forth above, no amendment that adversely affects Euroclear or Clearstream, Luxembourg or the holders of the Book-Entry Interests may be made to the Depositary Agreement or the Book-Entry Interests without the consent of Euroclear or Clearstream, Luxembourg or the holders of any Book-Entry Interests.

Upon the issuance of Definitive Notes, the Depositary Agreement will terminate.

Resignation or Removal of Depositary

The Depositary may at any time resign as Depositary upon 90 days' written notice delivered to each of the Issuer and the Trustee. The Issuer may by board resolution remove the Depositary at any time upon 90 days' written notice. No resignation or removal of the Depositary and no appointment of a successor Depositary shall become effective until (i) the acceptance of appointment by the successor Depositary or (ii) the issue of Definitive Notes.

Obligation of Depositary

The Depositary will assume no obligation or liability under the Depositary Agreement other than to act in good faith in the performance of its duties under such agreement.

The Depositary will only be liable to perform such duties as are expressly set out in the Depositary Agreement. The Depositary Agreement contains provisions relieving the Depositary from liability and permitting it to refrain from acting in certain circumstances. The Depositary Agreement also contains provisions permitting any entity into which the Depositary is merged or converted or with which it is consolidated or any successor in business to the Depositary to become the successor depositary.

Governing law

The Depositary Agreement will be governed by English law.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes in the form in which (subject to modification) they will be set out in the Trust Deed. The Conditions set out below will be endorsed or attached on each Global Note and each Definitive Note (if applicable) and (subject to the provisions thereof) will apply to each such Note.

The issue of the £729,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2020 (the **Class A Notes**), the £100,000 Class X Commercial Mortgage Backed Notes due 2020 (the **Class X Notes**), the £48,000,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2020 (the **Class B Notes**), the £54,000,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2020 (the **Class C Notes**), the £53,500,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2020 (the **Class D Notes**) and the £9,930,000 Class E Commercial Mortgage Backed Floating Rate Notes due 2020 (the **Class E Notes** and, together with the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes and the Class D Notes, the **Notes**) by INDUS (ECLIPSE 2007-1) plc (the **Issuer**) was authorised by a resolution of the board of directors of the Issuer passed on or about 4 April 2007.

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 about 12 April 2007 (the **Closing Date**) made between the Issuer and BNY Corporate Trustee Services Limited (the **Trustee**, which expression includes its successors as trustee or any further or other trustee(s) under the Trust Deed as trustee(s) for the holders of the Notes (the **Noteholders**)).

The proceeds of the issue of the Notes will be applied in or towards acquiring the Loan Pool from the Seller.

References herein to the Notes shall include reference to:

(a) whilst the Notes are represented by a Global Note (as defined in **Condition 1.1** (Global Notes), units of £50,000 (as reduced by any redemption in part of a Note pursuant to **Condition 5** (Redemption));

(b) any Global Note; and

(c) any Definitive Notes (as defined in **Condition 1.2** (Issuance of Definitive Notes)) issued in exchange for a Global Note.

References herein to interest include references to any interest deferred in accordance with **Condition 15.1** (Interest) and interest on such deferred interest, unless the context otherwise requires.

The Noteholders 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, The Bank of New York 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), 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), and as registrar (in such capacity, the **Registrar**, which expression includes any successor registrar appointed from time to time in respect of the Notes) and BNY Fund 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 a deed of charge under English law (the **Issuer Deed of Charge**, which expression includes such deed of charge as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) dated the Closing Date and made between, among others, the Issuer and the Trustee.

The Noteholders 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 Bank Account Agreement, the Servicing Agreement, the Liquidity Facility Agreement, the Cash Management Agreement, the Interest Rate Swap Agreement, the Loan Sale Documents, the Corporate Services Agreement, the Subscription Agreement 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**)).

The statements in these terms and conditions (the **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. These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions Schedule.

As used in these Conditions:

(a) a reference to a **Class of Notes** or to a **Class of Noteholders** shall be a reference to the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or, as the case may be, the respective holders thereof and **Classes**, in a similar context, shall be construed accordingly; and

(b) **Most Senior Class of Notes** means:

(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 any time, any Class B Notes are then outstanding); or

(iii) if no Class A Notes or Class B Notes are then outstanding, the Class C Notes (if, at any time, any Class C Notes are then outstanding); or

(iv) if no Class A Notes, Class B Notes or Class C Notes are then outstanding, the Class D Notes (if, at any time, any Class D Notes are then outstanding); or

(v) if no Class A Notes, Class B Notes, Class C Notes or Class D Notes are then outstanding, the Class E Notes (if, at any time, any Class E Notes are then outstanding).

If no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes are outstanding there is no Most Senior Class of Notes.

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

1. GLOBAL NOTES

1.1 Global Notes

The Notes of each Class initially offered and sold outside the United States to non-U.S. Persons pursuant to Regulation S under the Securities Act (the **Reg S Notes**) will each be represented by a global note in bearer form (the **Reg S Global Notes**).

The Notes of each Class initially offered and sold within the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act), in reliance on Rule 144A under the Securities Act (the **Rule 144A Notes**) will each be represented by a global note in bearer form (the **Rule 144A Global Notes** and, together with the Reg S Global Notes, the **Global Notes**).

Transfers and exchanges of beneficial interests in Global Notes and entitlement to payments thereunder will be effected subject to and in accordance with the detailed provisions of the Depositary Agreement and the rules of Euroclear and Clearstream, Luxembourg (as the case may be).

1.2 Issuance of Definitive Notes

If Notes in definitive form are issued pursuant to **Condition 13** (Replacement Of The Notes), definitive notes in an aggregate principal amount equal to the Principal Amount Outstanding (as defined in **Condition 5.8** (Principal Amount Outstanding and Write-Downs)) of the relevant Reg S Global Note (the **Reg S Definitive Notes**) and Rule 144A Global Note (the **Rule 144A Definitive Notes** and, together with the Reg S Definitive Notes, the **Definitive Notes**) will be issued in registered form in the denomination of £50,000, and in integral multiples of £1,000 in excess thereof up to and including £99,000 (an **Authorised Denomination**). No Definitive Notes will be issued with a denomination above £99,000.

1.3 Title to Global Notes and Definitive Notes

Title to the Global Notes of each class will pass by delivery. Title to the Definitive Notes of each Class will pass by and upon registration in the register which the Issuer shall procure to be kept by the Registrar (the **Register**). The bearer of any Global Note and the registered holder of any Definitive Note may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Note or Definitive Note, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon other than, in the case of a Definitive Note, a duly executed transfer of such Definitive Note in the form endorsed thereon. Each Note will be serially numbered.

The expressions **Noteholders** and **holder of Notes** and related expressions shall be construed accordingly:

(a) **Class A Noteholders** means Noteholders in respect of the Class A Notes;

(b) **Class X Noteholders** means Noteholders in respect of the Class X Notes;

(c) **Class B Noteholders** means Noteholders in respect of the Class B Notes;

(d) **Class C Noteholders** means Noteholders in respect of the Class C Notes;

(e) **Class D Noteholders** means Noteholders in respect of the Class D Notes; and

(f) **Class E Noteholders** means Noteholders in respect of the Class E Notes.

1.4 Transfers of Global Notes and Definitive Notes

Transfers and exchanges of beneficial interests in Global Notes of the same class will be effected subject to and in accordance with the detailed provisions of the Depositary Agreement. All transfers of Definitive Notes and entries on the Register in the case of any Definitive Notes will be made subject to any restrictions on transfers set forth on such Definitive Notes and the detailed regulations concerning transfers of such Definitive Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be sent by the Registrar to any holder of a Definitive Note who so requests.

A Definitive Note may be transferred in whole or in part in an Authorised Denomination upon the surrender of the relevant Definitive Note, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. In the case of a transfer of part only of a Definitive Note, a new Definitive Note in respect of the balance not transferred will be issued to the transferor provided that neither the part transferred nor the balance not transferred may be less than an Authorised Denomination.

Each new Definitive Note to be issued upon transfer of Definitive Notes will, within five Business Days (in the place of the specified office of the Registrar) of receipt of such request for transfer, be available for delivery at the specified office of the Registrar stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Note to such address as may be specified in such request.

Registration of Definitive Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax, levy, duty, imports or other governmental charges which may be imposed in relation to it.

No holder of a Definitive Note may require the transfer of such Definitive Note to be registered during the period of 15 days ending on a Payment Date.

1.5 Forced Transfer of Notes

If the Issuer determines at any time that a holder of Notes who is in the United States or is a U.S. Person is not both a Qualified Institutional Buyer and a Qualified Purchaser (any such person, a **Non-Permitted Holder**), the Issuer shall promptly after discovery that such person is a Non-Permitted Holder, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a person that is both a Qualified Institutional Buyer and a Qualified Purchaser or a non-U.S. Person outside the United States within 30 days of the date of such notice. If such holder fails to sell or transfer its Notes within such period, such holder may be required by the Issuer to sell such Notes to a purchaser selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes and selling such Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other Person in the chain of title from the permitted Noteholder to the Non-Permitted Holder by its acceptance of an interest in the Notes agrees to co-operate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and

conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein and the Issuer shall not be liable to any Person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of the Notes to submit a written certificate substantiating that it is both a Qualified Institutional Buyer and a Qualified Purchaser or a non-U.S. Person. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such a certification is requested is not both a Qualified Institutional Buyer and a Qualified Purchaser or a non-U.S. Person. Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial interests in a Note to any person who is not either a non-U.S. Person or a U.S. Person that is both a Qualified Institutional Buyer and a Qualified Purchaser.

2. STATUS, SECURITY AND PRIORITY OF PAYMENTS

2.1 Status and relationship between Classes of Notes

(a) The Class A Notes constitute direct, secured and limited recourse obligations of the Issuer. The Class A Notes rank *pari passu* without preference or priority amongst themselves.

(b) The Class X Notes constitute direct, secured and limited recourse obligations of the Issuer. The Class X Notes rank *pari passu* without preference or priority amongst themselves but rank junior in respect of interest with the Class A Notes. The Class X Notes will be redeemed solely from amounts standing to the credit of the Class X Principal Account. Both before and after enforcement of the Issuer Security, the Class X Notes, with respect to payments of Class X Additional Amounts, are also entitled to additional security which may not be used to pay principal or interest on any other Notes and therefore with respect to Class X Additional Amounts do not rank against any other Notes with respect to such amounts.

(c) The Class B Notes constitute direct, secured and, subject as provided in **Condition 15** (Subordination by Deferral), limited recourse obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority amongst themselves but junior to the Class A Notes and (with respect to interest only) the Class X Notes as provided in these Conditions and the Transaction Documents.

(d) The Class C Notes constitute direct, secured and, subject as provided in **Condition 15** (Subordination by Deferral), limited recourse obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority amongst themselves but junior to the Class A Notes and (with respect to interest only) the Class X Notes and the Class B Notes as provided in these Conditions and the Transaction Documents.

(e) The Class D Notes constitute direct, secured and, subject as provided in **Condition 15** (Subordination by Deferral), limited recourse obligations of the Issuer. The Class D Notes rank *pari passu* without preference or priority amongst themselves but junior to the Class A Notes, and (with respect to interest only) the Class X Notes, the Class B Notes and the Class C Notes as provided in these Conditions and the Transaction Documents.

(f) The Class E Notes constitute direct, secured and, subject as provided in **Condition 15** (Subordination by Deferral), limited recourse obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority amongst themselves but junior to the Class A Notes, and (with respect to interest only) the Class X Notes, the Class B Notes, the Class C Notes and the Class D Notes as provided in these Conditions and the Transaction Documents.

(g) The Trust Deed and the Issuer Deed of Charge contain provisions requiring the Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case to have regard only to:

(i) the interests of the Class A Noteholders for so long as the Class A Notes are outstanding, if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class A Noteholders; and

(B) the Class X Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and/or the Class E Noteholders; or

(ii) subject to paragraph (i) above, the interests of the Class B Noteholders for so long as the Class B Notes are outstanding, if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class B Noteholders; and

(B) the Class X Noteholders, the Class C Noteholders, the Class D Noteholders and/or the Class E Noteholders; or

(iii) subject to paragraphs (i) and (ii) above, the interests of the Class C Noteholders for so long as the Class C Notes are outstanding, if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class C Noteholders; and

(B) the Class X Noteholders, the Class D Noteholders and/or the Class E Noteholders; or

(iv) subject to paragraphs (i) to (iii) above, the interests of the Class D Noteholders for so long as the Class D Notes are outstanding, if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class D Noteholders; and

(B) the Class X Noteholders, the Class E Noteholders.

(v) subject to paragraph (i) to (iv) above, the interests of the Class E Noteholders for so long as the Class E Notes are outstanding, if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class E Noteholders; and

(B) the Class X Noteholders.

The Trustee is not required at any time to have regard to the interests of the Class X Noteholders or to act upon or comply with any direction or request of any Class X Noteholder (other than in respect of a Class X Consent Notice (as defined in **Condition 11.1**)).

So long as any of the Notes remain outstanding, the Trustee is not required to have regard to the interests of any Issuer Secured Creditors (other than the Noteholders) or, at any time, any other person or to act upon or comply with any direction or request of any Issuer Secured Creditor or, at any time, any other person.

(h) The Trust Deed and the Issuer Deed of Charge contain provisions that the Trustee may be directed to act only by the holders of the Most Senior Class of Notes outstanding and subject to being indemnified and/or secured to its full satisfaction.

As used in these Conditions, **Issuer Secured Creditors** means the Noteholders, the Trustee, any receiver or other appointee of the Trustee, the Master Servicer, the Special Servicer, the Corporate Services Provider, the Liquidity Facility Provider, the Cash Manager, the Interest Rate Swap Provider, the Account Bank, the Seller, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent and any other Paying Agent.

2.2 Issuer Security and Priority of Payments

The Issuer Security in respect of the Notes and the other payment obligations of the Issuer under the Transaction Documents is set out in the Issuer Deed of Charge and the Cash Management Agreement. The Cash Management Agreement contains the Priorities of Payments which regulate the priority of application of the Issuer Charged Property (and the proceeds thereof) among the persons entitled thereto by the Cash Manager (acting on behalf of (i) the Issuer, prior to the Trustee having taken any steps to enforce the Issuer Security and (ii) the Trustee, and with its consent, after the Trustee has taken any such steps to enforce the Issuer Security).

The Issuer Security will become enforceable on the occurrence of a Note Event of Default (or on the Final Maturity Date or any earlier redemption in full of the Notes, in each case upon failure to pay amounts due on the Notes). 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 (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 Cash Management Agreement to be paid *pari passu* with, or in priority to, the Notes, or (b) the Trustee has been advised by such professional advisers as are selected by the Trustee upon whom the Trustee shall be entitled to rely, that the cash flow 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 relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full all amounts owing to the Noteholders and any amounts required under the Cash Management Agreement to be paid *pari passu* with, or in priority to, the Notes and that the shortfall will (or that there is a significant risk that it will) exceed the shortfall resulting from disposal of the assets comprising the Issuer Charged Property 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.

Issuer Charged Property means all of the property, assets, rights and undertakings of the Issuer whatsoever and wheresoever situated, present and future, for the time being held as security (whether fixed or floating) for the Issuer Security under or pursuant to the Issuer Deed of Charge and references to the Issuer Charged Property shall be construed as including (where appropriate) references to any part of it.

3. COVENANTS

3.1 Restrictions

Save with the prior written consent of the Trustee 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, 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, present and future, (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 undertakings 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 that the Issuer will engage in;

(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 (but shall procure that, at all times, it shall retain at least one independent director);

(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 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 or assets of the Issuer substantially as an entirety shall be a person

incorporated and existing under the laws of England and Wales, 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 9** (Events of Default)) 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 English lawyers 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) and (iv) above and are binding on the Issuer (or any successor thereto) or, as the case may be, the person referred to in paragraph (i) above;

(vi) the then current ratings of the Notes are not adversely affected 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) *Centre of main interests*

cause or allow its "centre of main interests" (within the meaning of Council Regulation (EC) no. 1346/2000 on insolvency proceedings) to be in, or maintain an "establishment" in, any jurisdiction other than England and Wales;

(i) *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;

(j) *Bank accounts*

have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Trustee on terms acceptable to it;

(k) *Value added tax*

apply to become part of any group for the purposes of section 43 of the Value Added Tax Act 1994 with any other company or group of companies, or such act, regulation, order, statutory instrument or directive which may from time to time re enact, replace, amend, vary, codify, consolidate or repeal the Value Added Tax Act 1994; or

(l) *Surrender of group relief*

offer or consent to surrender to any company any amounts which are available for surrender by way of group relief within Chapter IV of Part X of the Income and Corporation Taxes Act 1988.

3.2 Master Servicer

(a) So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a master servicer (the **Master Servicer**) for the servicing of the Loans (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 Master Servicer will not be permitted to terminate its appointment unless a replacement master servicer acceptable to the Issuer and the Trustee has been appointed and (ii) the appointment of the Master Servicer may be terminated by the Trustee if, among other things, the Master 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 Master Servicer by the Issuer or the Trustee.

3.3 Special Servicer

If any Class of Noteholders is the Controlling Creditor, then the Issuer, upon being so instructed by an Extraordinary Resolution of that Class of Noteholders, will exercise its rights under the Servicing Agreement to appoint a substitute or successor special servicer in respect of the relevant Loan, subject to the conditions of the Servicing Agreement and **Condition 3.5** (Junior Lender).

Controlling Creditor means, at any time:

(a) the holders of the most junior Class of Notes (other than the Class X Notes) then having an aggregate Principal Amount Outstanding greater than 25 per cent. of its aggregate Principal Amount Outstanding on the Closing Date;

(b) if no Class of Notes then has an aggregate Principal Amount Outstanding greater than 25 per cent. of its aggregate Principal Amount Outstanding on the Closing Date, the holders of the then most junior Class of Notes (other than the Class X Notes); or

(c) subject to the terms of the relevant Intercreditor Agreement, in respect of the Adelphi Loans and the Criterion Loan, the relevant Junior Lender, for so long as the relevant Junior Loan is outstanding.

3.4 Operating Adviser

If any Class of Noteholders is the Controlling Creditor, it may, by an Extraordinary Resolution passed by the relevant Class of Noteholders or if the Controlling Creditor is the Junior Lender, the Junior Lender may, appoint an adviser (the **Operating Adviser**) with whom the Special Servicer, as the case may be, will be required to liaise in accordance with the terms of the Servicing Agreement or Intercreditor Agreement (as applicable).

3.5 Junior Lender

If any amount remains due and payable to a junior lender for the time being (the **Junior Lender**) in respect of the junior facility of (i) the loan originated by Barclays Bank PLC on 6 March 2007 in respect of a borrower private company limited by shares incorporated in the Principality of Liechtenstein with registered number FL-0001-109264-8 (the **Junior Adelphi Loan**) and (ii) the loan originated by Barclays Bank PLC on 12 December 2006 in respect of three borrower private companies limited by shares incorporated in the Isle of Man with registered numbers 105740, 102418C and 114073C (the **Junior Criterion Loan**), the rights of the Issuer and the most junior Class of Noteholders and the Special Servicer will be subject to the rights of the Junior Lender under the intercreditor agreements with respect thereto, in respect of the Junior Adelphi Loan and the Junior Criterion Loan and subject to the terms of the intercreditor agreement in respect of the Agora Max Portfolio Loan (the **Agora Max Intercreditor Agreement**).

4. INTEREST

4.1 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 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.

4.2 Interest Payment Dates and Interest Periods

Interest on the Notes is, subject as provided below in relation to the first payment, payable quarterly in arrear on 25 January, 25 April, 25 July and 25 October in each year or, if any such day is not a Business Day (as defined below), the next succeeding Business Day (unless the next succeeding Business Day falls in the next calendar month, in which case that date will be the first preceding 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 2007 in respect of the

period from (and including) the Closing Date to (but excluding) that Interest Payment Date. 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**.

4.3 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. (London time) on the Business Day that falls on the first day of each Interest Period (each, an **Interest Determination Date**), determine the Rate of Interest applicable to each Class of Notes in the holding amount of £1,000, and calculate the amount of interest payable on each of the Notes (each payment so calculated, an **Interest Payment**), for such 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, LIBOR (as determined in accordance with **Condition 4.3(b)** (Determination of LIBOR)) plus a margin of 0.17 per cent. per annum;

(ii) in the case of the Class X Notes, the Class X Interest Rate (as determined in accordance with **Condition 4.3(c)** (Class X Interest Rate and Class X Additional Amounts));

(iii) in the case of the Class B Notes, LIBOR (as so determined) plus a margin of 0.25 per cent. per annum;

(iv) in the case of the Class C Notes, LIBOR (as so determined) plus a margin of 0.46 per cent. per annum;

(v) in the case of the Class D Notes, LIBOR (as so determined) plus a margin of 0.79 per cent. per annum; and

(vi) in the case of the Class E Notes, LIBOR (as so determined) plus a margin of 2.90 per cent. per annum (subject to the Class E Available Funds Cap).

The Interest Payment in relation to a Note of a particular Class (excluding the Class X Notes) 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 divided by 365 and rounding the resultant figure to the nearest penny (fractions of half a penny being rounded downwards).

The Interest Payment in relation to the Class X Notes shall be calculated by applying the Class X Interest Rate in accordance with **Condition 4.3(c)** (Class X Interest Rate and Class X Additional Amounts) to the then Principal Amount Outstanding of each Class X Note.

For the purposes of these Conditions:

Business Day means a day (other than a Saturday or a 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.

(b) Determination of LIBOR

For the purposes of determining the Rate of Interest in respect of each Class of Notes under **Condition 4.3(a)**, LIBOR 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 sterling deposits (or, in respect of the first such Interest Period, the interest rate for two week sterling deposits) in the London inter-bank market which appears on LIBOR 01 Reuters (the **LIBOR Screen Rate**) at or about 11.00 a.m. (London time) or such other page as may replace the LIBOR Screen Rate on that service and may be nominated as the information vendor for the purpose of displaying such information; or

(ii) if the LIBOR 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 sterling in an amount of £10,000,000 are offered for the same period as that Interest Period by those Reference Banks to prime banks in the London inter-bank market at or about 11.00 a.m. (London time) on that Interest Determination Date (or, in respect of the first Interest Period, the arithmetic mean of such rates for two week sterling deposits notified by the Reference Banks). If, on any such Interest Determination Date, at least two of the Reference Banks provide such offered quotations to the Agent Bank the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Determination Date, only one 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 the Reference Bank and such bank as so agreed. If no Reference Bank provides the Agent Bank with such an offered quotation or no such bank is so agreed or such bank as so agreed does not provide such a quotation, then the rate for the relevant Interest Period shall be the rate in effect for the last preceding Interest Period.

(c) Class X Interest Rate and Class X Additional Amounts

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

Class X Interest Rate means, with respect to each Interest Period, the percentage calculated by multiplying a fraction, the numerator of which is the Expected Class X Interest Amount for the period and the denominator of which is the Principal Amount Outstanding of the Class X Notes (as at the start of that period), by 100.

In addition to the Class X Interest Rate, Class X Additional Amounts will be paid to the Class X Noteholders.

Expected Class X Interest Amount means, in respect of an Interest Period, an amount equal to:

(i) in respect of the Interest Payment Date occurring at the end of that period and prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, (A) the Expected Available Issuer Income less (B) Administrative Costs and amounts of interest due and payable on the Notes (other than the Class X Notes) subject to, in the case of the expected Class X Interest Amount in respect of the Interest Payment Date falling in April 2007, a cap (the **Class X Initial Cap**) of £42,000; or

(ii) on any day during that period following the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, all available receipts after deducting amounts required to pay Administrative Costs and all amounts of interest and principal due in respect of the Notes (other than the Class X Notes).

Expected Available Issuer Income means, with respect to an Interest Period, the amount of Available Issuer Income that would have been available to the Issuer on the Interest Payment Date falling at the end of such Interest Period assuming full and timely payment by the Borrower of amounts due and payable under the Loans on the relevant Loan Interest Payment Date falling in the relevant Collection Period.

Administrative Costs means, for any Interest Period, the sum of all fees, costs and expenses or other remuneration and indemnity payments, inclusive of VAT, if applicable, estimated on the relevant Interest Determination Date by the Cash Manager to be payable by the Issuer on the Interest Payment Date related to such Interest Period in accordance with items (a) to (p) and (t) (other than interest on the Notes) of the Pre-Acceleration Revenue Priority of Payments and the Post Enforcement/Pre-Acceleration Priority of Payments and items (a) to (n) (other than principal and interest on the Notes) of the Post-Acceleration Priority of Payments together with (in the case of the Pre-Acceleration Revenue Priority of Payments only) any Revenue Priority Amounts to be paid during the relevant Interest Period prior to the related Interest Payment Date.

(d) In addition to the interest paid on the Class X Notes in accordance with the preceding paragraph, the Class X Noteholders will be entitled to receive Class X Additional Amounts.

Class X Additional Amounts means, in respect of each Interest Payment Date, the aggregate of:

(i) on each Interest Payment Date prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, and following the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, on each day, all amounts received or recovered by or on behalf of the Issuer in respect of any Prepayment Fees;

(ii) on each Interest Payment Date prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full the amounts paid in accordance with item (r) of each of the Pre-Acceleration Revenue Priority

of Payments and the Post Enforcement/Pre-Acceleration Priority of Payments and following the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, on each day, amounts paid in accordance with item (o) of the Post-Acceleration Priority of Payments;

(iii) item (vi) of **Condition 5.3(b)** (Application of Available Sequential Principal), item (C) of **Condition 5.3(c)(i)** (Application of Available Pro Rata Principal) and item (B) of **Condition 5.3(c)(ii)** (Application of Available Pro Rata Principal); and

(iv) on the Final Maturity Date or, if earlier, the date on which the Notes have been redeemed in full, all amounts standing to the credit of the Administrative Costs Reserve Account.

(e) There will be no minimum or maximum Rate of Interest.

4.4 Publication of Rate 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 Cash Manager, the Paying Agents, the Noteholders and, for so long as the Notes are listed on Irish Stock Exchange Limited (the **Stock Exchange**), the Stock Exchange within two Business Days of 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 in accordance with **Condition 4** (Interest).

4.5 Determination or calculation by the 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 4.3** (Rates of Interest) 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 4.3** (Rates of Interest) 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 4.3** (Rates of Interest) above, and each such determination or calculation shall be deemed to have been made by the Agent Bank.

4.6 Notification to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this **Condition 4.6**, 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 or any other person shall attach to the Issuer, the Reference Banks, the Cash Manager, 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.

4.7 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 14** (Notice to Noteholders). 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 in writing by the Trustee has been appointed.

4.8 Interest on the Class E Notes

Notwithstanding **Condition 15.1** (Interest) if on any Interest Payment Date or any other date following the service of an Acceleration Notice or the Notes becoming due and payable:

(a) the Interest Payment that would be due and payable on the Class E Notes under **Condition 4.3** (Rates of Interest) (the **Class E Interest Amount**) is in excess of the Class E Adjusted Interest Payment; and

(b) the difference between the Interest Payment that would be otherwise due on the Class E Notes under **Condition 4.3** (Rates of Interest) and the Class E Adjusted Interest Payment is attributable to a reduction in the interest-bearing balances of the Loans as a result of prepayments,

the interest that would be represented by such difference (the AFC Excess Interest Amounts) will be extinguished on such Interest Payment Date and the affected Noteholder will have no further claim against the Issuer in respect of such amount.

For the purposes of this **Condition 4.8**:

Class E Adjusted Interest Payment on any Interest Payment Date or any other date following the service of an Acceleration Notice or the Notes otherwise becoming due and payable will be an amount equal to:

(a) Adjusted Available Issuer Income available for distribution under the Pre-Acceleration Revenue Priority of Payments or the Post-Enforcement/Pre-Acceleration Priority of Payments, as applicable or funds available for application under the Post-Acceleration Priority of Payments, as applicable, on that Interest Payment Date or any other date following the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full; minus

(b) the sum of all amounts payable out of Adjusted Available Issuer Income under the Pre-Acceleration Revenue Priority of Payments or the Post-Enforcement/Pre-Acceleration Priority of Payments, as applicable or funds available for application under the Post-Acceleration Priority of Payments, as applicable, in priority to payments of interest on the Class E Notes in accordance with the applicable Priority of Payments.

As soon as practicable after becoming aware that any AFC Excess Interest Amounts will be extinguished, the Issuer or the Cash Manager acting on its behalf will give notice thereof to the Trustee and the Class E Noteholders in accordance with **Condition 14** (Notice to Noteholders).

5. REDEMPTION

5.1 Final redemption

Save to the extent otherwise redeemed in full and cancelled in accordance with this **Condition 5**, 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 in January 2020 (the **Final Maturity Date**).

Without prejudice to **Condition 9** (Events of Default), the Issuer shall not redeem Notes in whole or in part prior to that date except as provided in **Condition 5.2** (Redemption for taxation or other reasons) or **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds) or **Condition 5.4** (Redemption upon exercise of Servicer Call Option). The Issuer shall redeem the Class X Notes: (a) in full but not in part; and (b) on the earlier of the Final Maturity Date and the date the Issuer redeems all other classes of Notes in full pursuant to this **Condition 5**, but in each case without prejudice to **Condition 9** (Events of Default).

5.2 Redemption for taxation or other reasons

(a) If the Issuer at any time satisfies the Trustee that:

(i) on or before the occasion of the next Interest Payment Date, the Issuer would become subject to tax on its income in more than one jurisdiction;

(ii) on the occasion of the next Interest Payment Date, the Issuer or a person acting on behalf of the Issuer would be required to make any withholding or deduction for or on account of any Taxes (as defined in **Condition 8** (Taxation)) from any payment of principal or interest in respect of any of the Notes;

(iii) on or before the occasion of the next Interest Payment Date, the Issuer would suffer any withholding or deduction from any payment in respect of a Loan for or on account of any Taxes;

(iv) by reason of a change of law since the Closing Date, it has become or will become unlawful for the Issuer to make, lend or to allow to remain outstanding all or any advances made or to be made by it under a Credit Agreement; or

(v) an Interest Rate Swap Tax Event occurs and:

(A) the Issuer cannot avoid such Interest Rate Swap Tax Event by taking reasonable measures available to it;

(B) the Interest Rate Swap Provider is unable to transfer its rights and obligations thereunder to another branch, office or affiliate to cure the Interest Rate Swap Tax Event; and

(C) the Issuer is unable to find a replacement interest rate swap provider (the Issuer being obliged to use reasonable efforts to find a replacement Interest Rate Swap Provider),

then the Issuer shall, in order to address 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 the principal debtor under the Notes, which substitution would have the result of avoiding the event described above.

(b) If the Issuer is unable, having used its reasonable endeavours, to arrange such a substitution 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 14** (Notice to Noteholders), 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 delivered to the Trustee a certificate signed by two directors of the Issuer stating that the event described in **Condition 5.2(a)(i)**, **(ii), (iii)** or **(iv)** will apply on or before the occasion of the next Interest Payment Date or the event described in **Condition 5.2(a)(iv)** or **(v)** has occurred (as the case may be) and cannot be avoided by the Issuer using reasonable endeavours to arrange a substitution as aforesaid and that the Issuer 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 relevant Priority of Payments to be paid *pari passu* with, or in priority to, the Notes and the Trustee shall 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.

5.3 Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds

Prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Notes then outstanding shall be subject to mandatory redemption in part on each Interest Payment Date if on the Calculation Date (as defined below) relating thereto there is Available Issuer Principal in an amount not less than £1.

Calculation Date means, in respect of each Interest Payment Date, the third Business Day prior to that Interest Payment Date.

(a) For the purposes of these Conditions:

(i) **Amortisation Funds** means the aggregate amount of principal received by or on behalf of the Issuer in respect of the Loans other than the Prepayment Redemption Funds, Final Redemption Funds or Principal Recovery Funds (each as defined below) and **Available Amortisation Funds** means, in respect of any Calculation Date, the Amortisation Funds received by or on behalf of the Issuer during the period from (and including) the preceding Calculation Date to (but excluding) such Calculation Date (or, if applicable, in the case of the first Calculation Date, the period from (but excluding) the Closing Date to (but excluding) such first Calculation Date) (each, a **Collection Period**);

(ii) **Available Issuer Principal** means, in respect of any Calculation Date the aggregate of (i) Available Pro Rata Principal (as defined below), and (ii) Available Sequential Principal (as defined below), as at that Calculation Date;

(iii) **Available Pro Rata Principal** means in respect of any Calculation Date the aggregate of (i) Available Pro Rata Category Two Principal (as defined below) and (ii) Available Pro Rata Category Three Principal (as defined below), whereby:

(A) **Available Pro Rata Category Two Principal** means in respect of any Calculation Date 50 per cent. of: (i) any Category Two Available Prepayment Redemption Funds; (ii) any Category Two Available Final Redemption Funds and; (iii) any Category Two Available Principal Recovery Funds; and

(B) **Available Pro Rata Category Three Principal** means in respect of any Calculation Date the aggregate of any Category Three Available Prepayment Redemption Funds, any Category Three Available Final Redemption Funds and any Category Three Available Principal Recovery Funds,

in each case received in respect of the relevant Loan during the Collection Period then ended;

(iv) **Available Sequential Principal** means, in respect of any Calculation Date, the aggregate of:

(A) any Available Amortisation Funds;

(B) any Category One Available Prepayment Redemption Funds, any Category One Available Final Redemption Funds and any Category One Available Principal Recovery Funds, and

(C) 50 per cent. of: (i) any Category Two Available Prepayment Redemption Funds; (ii) any Category Two Available Final Redemption Funds and; (iii) any Category Two Available Principal Recovery Funds,

in each case received in respect of the relevant Loan during the Collection Period then ended;

(v) **Category One Loans** means:

(A) the G-res 1 Portfolio Loan;

(B) the Pitch 2 Portfolio Loan;

(C) the Grafton Estate Portfolio Loan;

(D) the Wakefield Europort Loan;

(E) the Forster Hall Loan; and

(F) the St. George Portfolio Loan;

(vi) **Category Two Loans** means:

(A) the Adelphi Loans;

(B) the Criterion Loan;

(C) the Nos 2 & 3 Portfolio Loan;

(D) the Sol Central Loan;

(E) the Lloyds Portfolio Loan;

(F) the Workspace Portfolio Loan;

(G) the Snowhill Loan;

(H) the Alba Gate Portfolio Loan; and

(I) the Amsterdam Place Loan;

(vii) **Category Three Loans** means:

(A) the Agora Max Portfolio Loan;

(B) the Greater London Portfolio Loans;

(C) the Gullwing Portfolio Loan; and

(D) the Apex Loan;

(viii) **Final Redemption Funds** means the aggregate of:

(A) the Category One Final Redemption Funds;

(B) the Category Two Final Redemption Funds; and

(C) the Category Three Final Redemption Funds;

(ix) **Prepayment Redemption Funds** means the aggregate of:

(A) the Category One Prepayment Redemption Funds;

(B) the Category Two Prepayment Redemption Funds; and

(C) the Category Three Prepayment Redemption Funds;

(x) **Principal Recovery Funds** means the aggregate of:

(A) the Category One Principal Recovery Funds;

(B) the Category Two Principal Recovery Funds; and

(C) the Category Three Principal Recovery Funds;

(xi) **Category One Final Redemption Funds** means the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category One Loans as a result of the repayment of the relevant Category One Loan upon its scheduled final maturity date, and **Category One Available Final Redemption Funds** means, in respect of any Calculation Date, the Category One Final Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended;

(xii) **Category One Prepayment Redemption Funds** means (i) the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category One Loans as a result of any prepayment in part or in full made by the Relevant Borrower pursuant to the terms of the relevant Credit Agreement (including upon the receipt of insurance proceeds not applied prior to the final maturity of the relevant Loan), and (ii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of a repurchase of a Category One Loan by the Seller pursuant to the Loan Sale Agreement, and (iii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of the purchase of a Category One Loan by the Master Servicer or the Special Servicer pursuant to the Servicing Agreement, and **Category One Available Prepayment Redemption Funds** means, in respect of any Calculation Date, the Category One Prepayment Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended;

(xiii) **Category One Principal Recovery Funds** means the aggregate amount of principal payments received or recovered by or on behalf of the Issuer as a result of actions taken in accordance with the enforcement procedures in respect of a Category One Loan and/or its Related Security (other than Post Write-off Recovery Funds), and **Category One Available Principal Recovery Funds** means, in respect of any Calculation Date, the Category One Principal Recovery Funds received or recovered by or on behalf of the Issuer during the Collection Period then ended as adjusted for: (i) any amount of Interest Rate Swap Breakage Receipts receivable by the Issuer under the relevant Interest Rate Swap Transaction to the extent utilised in the calculation of Adjusted Loan Principal Loss in respect of that Category One Loan; less (ii) any amount to be transferred to Available Issuer Income on the Interest Payment Date immediately following such Calculation Date for the purpose of paying Liquidation Fees, if any, payable on that Interest Payment Date in respect of that Category One Loan;

(xiv) **Category Two Final Redemption Funds** means the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category Two Loans as a result of the repayment of the relevant Category Two Loan upon its scheduled final maturity date (or, in respect of the liquidity rent facility in respect of the Adelphi Revolver Loan, the end of the relevant availability period), and **Category Two Available Final Redemption Funds** means, in respect of any Calculation Date, the Category Two Final Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended;

(xv) **Category Two Prepayment Redemption Funds** means (i) the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category Two Loans as a result of any prepayment in part or in full (but only, in respect of the Adelphi Revolver Loan, to the extent only of any corresponding cancellation of commitment under the liquidity rent facility in respect of the Adelphi Revolver Loan (or a cancellation of commitment following a relevant default in respect of the Adelphi Loans) made by the Relevant Borrower pursuant to the terms of the relevant Credit Agreements (including upon the receipt of insurance proceeds not applied prior to the final maturity of the relevant Loan), and (ii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of a repurchase of a Category Two Loan by the Seller pursuant to the

Loan Sale Agreement, and (iii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of the purchase of a Category Two Loan by the Master Servicer or the Special Servicer pursuant to the Servicing Agreement (and, if the repurchase is in respect of the Senior Adelphi Loan and there are then funds standing to the credit of Adelphi Ledger, those funds) and (iv) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of the purchase of the Senior Adelphi Loan or the Criterion Loan by the relevant Junior Lender, and **Category Two Available Prepayment Redemption Funds** means, in respect of any Calculation Date, the Category Two Prepayment Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended together with, as applicable funds then standing to the credit of the Adelphi Ledger then to be transferred to the Principal Ledger;

(xvi) **Category Two Principal Recovery Funds** means the aggregate amount of principal payments received or recovered by or on behalf of the Issuer as a result of actions taken in accordance with the enforcement procedures in respect of a Category Two Loan and/or its Related Security (other than Post Write-off Recovery Funds), and **Category Two Available Principal Recovery Funds** means, in respect of any Calculation Date, the Category Two Principal Recovery Funds received or recovered by or on behalf of the Issuer during the Collection Period then ended as adjusted for: (i) any amount of Interest Rate Swap Breakage Receipts receivable by the Issuer under the relevant Interest Rate Swap Transaction to the extent utilised in the calculation of Adjusted Loan Principal Loss in respect of that Category Two Loan; less (ii) any amount to be transferred to Available Issuer Income on the Interest Payment Date immediately following such Calculation Date for the purpose of paying Liquidation Fees, if any, payable on that Interest Payment Date in respect of a Category Two Loan;

(xvii) **Category Three Final Redemption Funds** means the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category Three Loans as a result of the repayment of the relevant Category Three Loan upon its scheduled final maturity date (or, in respect of the GLP Revolver Loan, the end of the relevant availability period), and **Category Three Available Final Redemption Funds** means, in respect of any Calculation Date, the Category Three Final Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended;

(xviii) **Category Three Prepayment Redemption Funds** means (i) the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category Three Loans as a result of any prepayment in part or in full (but only, in respect of the GLP Revolver Loan, to the extent only of any corresponding cancellation of commitment under the GLP Revolving Credit Facility (or a cancellation of commitment following a relevant default in respect of the Greater London Portfolio Loans) made by the Relevant Borrower pursuant to the terms of the relevant Credit Agreements (including upon the receipt of insurance proceeds not applied prior to the final maturity of the relevant Loan), and (ii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of a repurchase of a Category Three Loan by the Seller pursuant to the Loan Sale Agreement, and (iii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of the purchase of a Category Three Loan

by the Master Servicer or the Special Servicer pursuant to the Servicing Agreement (and, if the repurchase is in respect of the Greater London Portfolio Loans and there are then funds standing to the credit of GLP Ledger, those funds) and **Category Three Available Prepayment Redemption Funds** means, in respect of any Calculation Date, the Category Three Prepayment Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended together with, as applicable, funds then standing to the credit of the GLP Ledger then to be transferred to the Principal Ledger;

(xix) **Category Three Principal Recovery Funds** means the aggregate amount of principal payments received or recovered by or on behalf of the Issuer as a result of actions taken in accordance with the enforcement procedures in respect of a Category Three Loan and/or its Related Security (other than Post Write-off Recovery Funds), and **Category Three Available Principal Recovery Funds** means, in respect of any Calculation Date, the Category Three Principal Recovery Funds received or recovered by or on behalf of the Issuer during the Collection Period then ended as adjusted for: (i) any amount of Interest Rate Swap Breakage Receipts receivable by the Issuer under the relevant Interest Rate Swap Transaction to the extent utilised in the calculation of Adjusted Loan Principal Loss in respect of that Category Three Loan; less (ii) any amount to be transferred to Available Issuer Income on the Interest Payment Date immediately following such Calculation Date for the purpose of paying Liquidation Fees, if any, payable on that Interest Payment Date in respect of a Category Three Loan;

(xx) **Interest Rate Swap Breakage Receipts** means the aggregate of all amounts paid to the Issuer under the Interest Rate Swap Agreement as a result of the termination, in whole or in part, of any Interest Rate Swap Transaction thereunder, and **Available Interest Rate Swap Breakage Receipts** means, in respect of any Calculation Date, the Interest Rate Swap Breakage Receipts received or to be received by or on behalf of the Issuer during the period since (but excluding) the immediately preceding Interest Payment Date to (and including) the immediately following Interest Payment Date (but excluding; (i) any Interest Rate Swap Breakage Receipts paid to the Issuer by the Interest Rate Swap Counterparty following a default under a Loan in respect of which no Loan Principal Loss arises; (ii) any Interest Rate Swap Breakage Receipts paid to the Issuer as a result of a prepayment in whole or in part of a Loan by a Borrower; or (iii) Interest Rate Swap Breakage Receipts paid to the Issuer following the occurrence of a Loan Principal Loss);

(xxi) **Post Write-off Recovery Funds** means the aggregate amount received by the Master Servicer or the Special Servicer on behalf of the Issuer in respect of a Loan following the write-off of such amounts by the Master Servicer or the Special Servicer on the completion of enforcement procedures in relation to such Loan;

(xxii) **Available Final Redemption Funds** means the aggregate of:

(A) the Category One Available Final Redemption Funds;

(B) the Category Two Available Final Redemption Funds; and

(C) the Category Three Available Final Redemption Funds;

(xxiii) **Available Prepayment Redemption Funds** means the aggregate of:

(A) the Category One Available Prepayment Redemption Funds;

(B) the Category Two Available Prepayment Redemption Funds; and

(C) the Category Three Available Prepayment Redemption Funds;

(xxiv) **Available Principal Recovery Funds** means the aggregate of:

(A) the Category One Available Principal Recovery Funds;

(B) the Category Two Available Principal Recovery Funds; and

(C) the Category Three Available Principal Recovery Funds,

but, in each case, without double counting, only to the extent that such monies have not been taken into account in the calculation of Available Amortisation Funds, Category One Available Prepayment Redemption Funds, Category Two Available Prepayment Redemption Funds, Category Three Available Prepayment Redemption Funds, Category One Available Final Redemption Funds, Category Two Available Final Redemption Funds, Category Three Available Final Redemption Funds, Available Interest Rate Swap Breakage Receipts, Available Sequential Principal, Available Pro Rata Principal or Category One Available Principal Recovery Funds, Category Two Available Principal Recovery Funds, Category Three Available Principal Recovery Funds, as applicable, on any preceding Calculation Date.

(b) Application of Available Sequential Principal

Available Sequential Principal determined on each Calculation Date shall be applied on the immediately following Interest Payment Date in the following order of priority:

(i) first, in repaying, *pari passu* and *pro rata*, principal on the Class A Notes until all the Class A Notes have been redeemed in full;

(ii) second, in repaying, *pari passu* and *pro rata*, principal on the Class B Notes until all the Class B Notes have been redeemed in full;

(iii) third, in repaying, *pari passu* and *pro rata*, principal on the Class C Notes until all the Class C Notes have been redeemed in full;

(iv) fourth, in repaying, *pari passu* and *pro rata*, principal on the Class D Notes until all the Class D Notes have been redeemed in full;

(v) fifth, in repaying, *pari passu* and *pro rata*, principal on the Class E Notes until all the Class E Notes have been redeemed in full;

(vi) sixth, in or towards payment of any Class X Additional Amounts to the holders of the Class X Notes; and

(vii) seventh, in paying any surplus to the Issuer.

(c) Application of Available Pro Rata Principal

(i) Following application of Available Sequential Principal as set forth immediately above and prior to repayment in full of the Nos 2 & 3 Portfolio Loan, the Gullwing Portfolio Loan, the GLP Term Loan, the GLP Revolver Loan and the Apex Loan, any Available Pro Rata Principal arising in respect of the Senior Adelphi Loan, the Adelphi Revolver Loan, the Criterion Loan or the Agora Max Portfolio Loan determined on each Calculation Date shall, save if a Sequential Trigger Event exists on such Calculation Date, be applied on the immediately following Interest Payment Date in the following order of priority:

(A) first, *pari passu* and *pro rata* according to the Principal Amount Outstanding of each Class on the relevant Interest Payment Date after having made an adjustment to take account of any amount of Available Sequential Principal paid or to be paid to Noteholders on that Interest Payment Date, in repaying concurrently, principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes until each such Note has been redeemed in full;

(B) second, *pari passu* and *pro rata* according to the Principal Amount Outstanding of the Class E Notes on the relevant Interest Payment Date having made an adjustment to take account of any amount of Available Sequential Principal paid or to be paid to Class E Noteholders on that Interest Payment Date, in repaying principal on the Class E Notes until the Class E Notes have been redeemed in full;

(C) third, in or towards payment of any amount of Class X Additional Amounts to the holders of the Class X Notes; and

(D) fourth, in paying any surplus to the Issuer.

(ii) Following application of Available Sequential Principal as set forth above, Available Pro Rata Principal (other than, prior to the repayment in full of the Nos 2 & 3 Portfolio Loan, the Gullwing Portfolio Loan, the GLP Term Loan, the GLP Revolver Loan and the Apex Loan, Available Pro Rata Principal in respect of the Senior Adelphi Loan, the Adelphi Revolver Loan, the Agora Max Portfolio Loan and the Criterion Loan) and, after the repayment in full of the Nos 2 & 3 Portfolio Loan, the Gullwing Portfolio Loan, the GLP Term Loan, the GLP Revolver Loan and the Apex Loan, all Available Pro Rata Principal, in each case determined on each Calculation Date shall, save if a Sequential Trigger Event exists on such Calculation Date, be applied on the immediately following Interest Payment Date in the following order of priority:

(A) first, *pari passu* and *pro rata* according to the Principal Amount Outstanding of each Class on the relevant Interest Payment Date after having made an adjustment to take account of any amount of Available Sequential Principal paid or to be paid to Noteholders on that Interest Payment Date, in repaying concurrently, principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D

Notes and the Class E Notes until each such Note has been redeemed in full;

(B) second, in or towards payment of any amount of Class X Additional Amounts to the holders of the Class X Notes; and

(C) third, in paying any surplus to the Issuer,

provided that, in the event that any of the following circumstances exist (each, a **Sequential Trigger Event**) on a Calculation Date, on the next following Interest Payment Date, Available Pro Rata Principal will be applied concurrently with, and in the same order of priority as, Available Sequential Principal as set out in **(i)** to **(vii)** of **paragraph (b)** (Application of Available Sequential Principal) above, all as more fully set out in the Cash Management Agreement:

(A) if at such Calculation Date, 10 per cent. or more of the aggregate outstanding principal balance of the Loans are in default, provided that in determining whether a Loan has defaulted for the purposes of this paragraph (A):

(I) such determination shall be made solely on the basis of the terms of the relevant Credit Agreement as at the relevant Calculation Date; and

(II) a default shall not be deemed to have occurred if (a) the default is with respect to payment and/or (b) the default is other than with respect to payment and such default has been remedied or cured within 30 days of such default and/or (c) the default has been cured or remedied at any time and no Adjusted Loan Principal Loss has arisen in respect of the relevant Loan; or

(B) the aggregate principal outstanding balance of all the Category Two Loans and the Category Three Loans on such Calculation Date is less than £60,000,000; or

(C) if, as at such Calculation Date, 10 per cent. or more of the aggregate outstanding principal balance of the Loans are in default, where for the purpose of this paragraph (C) "default" means a default with respect to payment and such default has not been remedied or cured within 90 days of such default; or

(D) if the Principal Amount Outstanding of the Notes has been reduced by an Allocated Loan Principal Write-Down Amount in accordance with **Condition 5.8** (Principal Amount Outstanding and Write-Downs).

(d) Class X Note Redemption

On the Interest Payment Date falling in April 2007, the Issuer, or the Cash Manager on its behalf, will apply £20,000 standing to the credit of the Class X Principal Account, in part redemption of the Class X Notes. Thereafter, the Class X Notes

shall not be redeemed on any Interest Payment Date pursuant to this **Condition 5.3(d)** unless the application of the Available Sequential Principal or any Available Pro Rata Principal pursuant to **Condition 5.3(b)** and **5.3(c)** and/or redemption pursuant to **Condition 5.2** (Redemption for taxation or other reasons) will result in the Notes (other than the Class X Notes) being redeemed in full in which case the Class X Notes will be redeemed in full *pari passu* amongst themselves from amounts standing to the credit of the Class X Principal Account (and for greater certainty, amounts standing to the credit of the Class X Principal Account will be available solely to redeem the Class X Notes in full and thereafter to pay the Class X Additional Amounts and will not be available to any other Issuer Secured Creditors).

(e) Application of Post Write-off Recovery Funds

On each Interest Payment Date, all Post Write-off Recovery Funds received during the related Collection Period will be applied by the Issuer or the Cash Manager acting on its behalf as Available Issuer Income or after service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full as available funds.

(f) Application of Prepayment Fees

On each Interest Payment Date, all amounts received or recovered by the Issuer in respect of any Prepayment Fees during the related Collection Period will be applied by the Cash Manager on behalf of the Issuer or, from and including the time at which the Trustee takes any steps to enforce the Issuer Security, the Trustee (or, with the consent of the Trustee, the Cash Manager on its behalf) in or towards payment of any amount in respect of Class X Additional Amounts to the Class X Noteholders (the **Class X Prepayment Fees**).

(g) Break Costs Priority of Payments

On each Interest Payment Date, any Break Costs received by the Issuer as a result of any prepayment by a Borrower of all or any of a Loan during the related Collection Period will be applied by the Cash Manager on behalf of the Issuer or, from and including the time at which the Trustee takes any steps to enforce the Issuer Security the Trustee (or, with the consent of the Trustee, the Cash Manager on its behalf) in accordance with the following order of priority (the **Break Costs Priority of Payments**) (in each case only if and to the extent that the proceeds and provisions of a higher priority have been made in full) all as more fully set out in the Cash Management Agreement:

(i) in or towards payment of any amount due and payable by the Issuer on that Interest Payment Date to the Interest Rate Swap Provider under and in accordance with the Interest Rate Swap Agreement, arising as a result of the termination of all or part of any Interest Rate Swap Transaction due to the prepayment by the Borrower of all or part of any Loan; and

(ii) thereafter, any surplus (**Excess Break Costs**) in or towards payment of Deferred Consideration.

(h) Interest Rate Swap Breakage Receipts Priority of Payments

On each Interest Payment Date (and following service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, on any date), any Interest

Rate Swap Breakage Receipts received by the Issuer as a result of any termination of all or part of an Interest Rate Swap Transaction following prepayment by a Borrower of all or any part of a Loan during the related Collection Period or following a default by the Borrower to the extent that the same is not taken into account in the calculation of the relevant Adjusted Loan Principal Loss or Principal Recovery Funds will be applied by the Cash Manager on behalf of the Issuer or, from and including the time at which the Trustee takes any steps to enforce the Issuer Security, the Trustee (or, with the consent of the Trustee, the Cash Manager on its behalf) in accordance with the following order of priority (the **Interest Rate Swap Breakage Receipts Priority of Payments**) (in each case only if and to the extent that the proceeds and provisions of a higher priority have been made in full) all as more fully set out in the Cash Management Agreement:

(i) in or towards payment of any amount the Issuer (in its capacity as Lender) has or would have to pay to the relevant Borrower under the relevant Credit Agreement in respect of the prepayment by the Borrower of such Loan; and

(ii) thereafter, in or towards payment of Deferred Consideration (such amount being **Excess Interest Rate Swap Breakage Receipts**).

(i) Application of Class X Additional Amounts

All Class X Additional Amounts (if any) will be applied by the Cash Manager on behalf of the Issuer on each Interest Payment Date or, from and including the time at which the Trustee takes any steps to enforce the Issuer Security, on behalf of the Trustee on each Interest Payment Date or on the same day as funds are applied under the Post-Acceleration Priority of Payments, as applicable, solely to the holders of the Class X Notes.

5.4 Redemption upon exercise of Servicer Call Option

Each of the Master Servicer and the Special Servicer has been granted a call option (the **Servicer Call Option**) pursuant to which it may, at its sole discretion, purchase the Loans on any Interest Payment Date provided (i) written notice is given by the Master Servicer or the Special Servicer, as applicable, in accordance with the Servicing Agreement, to the Issuer and to the Trustee, (ii) written notice is given by the Issuer to the Trustee and to the Noteholders in accordance with **Condition 14** (Notice to Noteholders) not more than 60 nor less than 30 days' prior to such purchase, (iii) that on the Calculation Date relating to such Interest Payment Date, no Acceleration Notice in relation to the Notes has been served and the Notes have not otherwise become due and repayable in full, (iv) that the Master Servicer or the Special Servicer (or their respective assigns) as applicable, has, prior to giving such notice, certified to the Trustee that it will have the necessary funds to discharge on such Interest Payment Date all of the Issuer's liabilities in respect of the Notes (other than the Class X Notes) to be redeemed under this **Condition 5.4** and any amounts required under the relevant Priority of Payments to be paid on such Interest Payment Date which rank prior to, or *pari passu* with, the Notes, which certificate (in the absence of manifest error) shall be conclusive and binding and (v) the then aggregate Principal Amount Outstanding of the Notes immediately following the redemption of the Notes in accordance with **Condition 5.3** (Mandatory redemption in part from Available Amortisation Funds, Available Prepayment Redemption Funds, Available Final Redemption Funds and Available Principal Recovery Funds) is less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date.

Upon receipt of such amounts from the Master Servicer or the Special Servicer in respect of the exercise of the Servicer Call Option, as applicable, the Issuer will be required to redeem on such Interest Payment Date:

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

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

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

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

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

On the exercise of the Servicer Call Option the Class X Notes will be redeemed from amounts standing to the credit of the Class X Principal Account.

5.5 Notice of redemption

Any such notice as is referred to in **Conditions 5.2** (Redemption for taxation or other reasons), or **5.4** (Redemption upon exercise of Servicer Call Option) 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.

5.6 Purchase

The Issuer shall not purchase any of the Notes.

5.7 Cancellation

All Notes redeemed in full will be cancelled forthwith and may not be reissued.

5.8 Principal Amount Outstanding and Write-Downs

If on an Interest Payment Date there exists an Adjusted Loan Principal Loss which has not previously been allocated in accordance with this **Condition 5.8**, the Principal Amount Outstanding of the Notes will, subject as set out below, be reduced by a *pro rata* share of an amount equal to the Adjusted Loan Principal Loss after any amounts to be paid on such Interest Payment Date to the Noteholders have been paid (such amount in respect of each Note the **Allocated Loan Principal Write-Down Amount**) as follows:

(a) first, the Principal Amount Outstanding of the Class E Notes shall be reduced until the Principal Amount Outstanding of the Class E Notes is zero;

(b) second, the Principal Amount Outstanding of the Class D Notes shall be reduced until the Principal Amount Outstanding of the Class D Notes is zero;

(c) third, the Principal Amount Outstanding of the Class C Notes shall be reduced until the Principal Amount Outstanding of the Class C Notes is zero;

(d) fourth, the Principal Amount Outstanding of the Class B Notes shall be reduced until the Principal Amount Outstanding of the Class B Notes is zero; and

(e) fifth, the Principal Amount Outstanding of the Class A Notes shall be reduced until the Principal Amount Outstanding of the Class A Notes is zero.

Unless otherwise expressly stated in any notice issued under or pursuant to these Conditions, all calculations in respect of the Principal Amount Outstanding of a Note shall be made on the assumption that the face amount of such Note on the date of issuance thereof was £50,000.

The Principal Amount Outstanding of the Class X Notes will not be subject to any reduction under this Condition.

For the purposes of these Conditions:

Adjusted Loan Principal Loss means, in respect of a Loan, the Loan Principal Loss for that Loan, adjusted such that if there are any Interest Rate Swap Breakage Receipts receivable by the Issuer under the relevant Interest Rate Swap Transaction under the Interest Rate Swap Agreement by deduction of those Interest Rate Swap Breakage Receipts until the balance of the relevant Loan Principal Loss is zero.

Loan Principal Loss in respect of a Loan means:

(a) the amount of any loss of principal in respect of that Loan as notified to the Cash Manager and the Issuer by the Relevant Servicer following completion of all applicable enforcement procedures in respect of that Loan; and/or

(b) the amount of any principal reduction agreed to by the Relevant Servicer in respect of a Loan in accordance with the Servicing Agreement.

Principal Amount Outstanding means in respect of any Note at any time the principal amount thereof as at the Closing Date as reduced by:

(a) any repayment of principal to the holder of the Note up to (and including) that time which has become due and payable, except if and to the extent that any such repayment has been improperly withheld or refused; and

(b) the *pro rata* share of any Allocated Loan Principal Write-Down Amounts in respect of such Notes that have arisen on or prior to such time.

The *pro rata* share of any principal or Allocated Loan Principal Write-Down Amounts in respect of any Note shall, if necessary, be rounded down to the nearest penny.

6. PAYMENTS

6.1 Payments of principal and interest in respect of any Notes will be made in sterling against presentation and, where applicable, surrender of the relevant Global Notes at the specified office of any Paying Agent. Payments of principal and interest will in each case be made by sterling cheque drawn on a bank in London or, at the option of the holder, by transfer to a sterling denominated account maintained by the payee with a branch of a bank in London. A record of each payment made, distinguishing between any payment of principal and/or any payment of interest, will be endorsed on the schedule to the relevant Global Note by or on behalf of the Paying Agent to which such Global Note was presented for the purpose of making such payment, and such endorsement 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.

6.2 For so long as the Notes are in global form, each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as being entitled to a particular principal amount of Notes will be deemed to be the holder of such principal amount for all purposes save that none of the persons appearing from time to time in the records of Euroclear or Clearstream, Luxembourg as being so entitled shall have any claim directly against the Issuer or the Trustee in respect of payments due on such Note whilst such Note is 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.

6.3 A holder shall be entitled to present a Note for payment only on a Payment Day and shall not, except as provided in **Condition 4** (Interest), be entitled to any further interest or other payment if a Payment Day is after the due date.

Payment Day means a day which (subject to **Condition 7** (Prescription)):

(a) is or falls after the relevant due date;

(b) is a Business Day in the place of the specified office of the Paying Agent at which the Global Note is presented for payment; and

(c) in the case of payment by transfer to a sterling denominated account in London as referred to in **Condition 6.1** above, is a Business Day in London.

In this **Condition 6.3**, **Business Day** means, in relation to any place, 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 that place.

6.4 The names of the initial Paying Agents, the Registrar and their initial specified offices are set out 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 any Paying Agent or the Registrar and to appoint additional or other Paying Agents or Registrar provided that:

(a) there will at all times be a Principal Paying Agent;

(b) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in a European city which, so long as the Notes are admitted to the Official List of the Irish Stock Exchange, shall be Dublin; and

(c) 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.

Notice of any termination of appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with **Condition 14** (Notice to Noteholders).

7. PRESCRIPTION

Claims in respect of the Notes shall become void unless made within ten years, in the case of principal, and five years, in the case of interest, of the appropriate relevant date. In this **Condition** 7, 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 14** (Notice to Noteholders).

8. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer or any Paying Agent will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature and all interest, penalties or similar liabilities with respect thereto (**Taxes**) unless such withholding or deduction is required by law. In that event, the Issuer or Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of any such withholding or deduction.

9. EVENTS OF DEFAULT

9.1 (a) If a Note Event of Default (as defined in **Condition 9.1(a)(b)**) occurs, then:

(i) the Trustee will, in its absolute discretion, be entitled to, and must, if:

(A) it is directed to do so in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding; or

(B) it is directed to do so by an Extraordinary Resolution of holders of the Most Senior Class of Notes then outstanding; and

in each case, provided that it has been indemnified and/or secured to its satisfaction, serve notice (an **Acceleration Notice**) on the Issuer declaring the Notes to be immediately due and repayable; and

(ii) the Issuer Security will become enforceable.

(b) Each of the following events is, subject to **Condition 9.2**, a **Note Event of Default**:

(i) default being made for a period of three Business Days in the payment of any principal of, or default is made for a period of five Business Days in the payment of any interest on, 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 15** (Subordination by Deferral) shall not constitute a default in the payment of such interest for the purposes of this **Condition 9.1(a)(b)(i)**); or

(ii) 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 continues 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

(iii) the Issuer failing duly to perform or observe any obligation, condition or provision (other than as specified in **Condition 9.1(a)(b)(i)** above) binding upon it under these Conditions, the Trust Deed or any of the other Transaction Documents to which it is a party (other than non-payment of any Liquidity Subordinated Amounts and Subordinated Interest Rate Swap Amounts) 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

(iv) the Issuer, otherwise than for the purposes of such a pre-approved amalgamation or reconstruction as is referred to in **sub-paragraph (vi) 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

(v) the Issuer is or becomes unable to pay its debts within the meaning of section 123(1)(e) of the Insolvency Act 1986; or

(vi) 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 an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding; or

(vii) proceedings being initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, an application to the court for an administration order), or an administration order being granted or an administrative receiver or other receiver (including documents being filed with the court for the appointment of an administrator or notice of intention to appoint an administrator being served), liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any 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) 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, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally.

9.2 In respect of the events described in **sub-paragraphs (ii)** and **(iii)** of **Condition 9.1(b)**, the relevant event will not constitute a Note Event of Default unless the Trustee first certifies to the Issuer that such event is, in the opinion of the Trustee, materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding. Upon service of an Acceleration Notice, each Note shall become immediately due and repayable at its

Principal Amount Outstanding together with accrued interest as provided in the Trust Deed and the Issuer Deed of Charge (but subject to the Post-Acceleration Priority of Payments).

10. ENFORCEMENT

10.1 The Trustee may, at its discretion and without notice at any time and from time to time, take such proceedings or other action as it may think fit to enforce the provisions of the Notes and the Trust Deed (including these Conditions), the Issuer Deed of Charge or any of the other Transaction Documents to which it is a party, provided that enforcement of the Issuer Security shall be the only remedy available to the Trustee for the repayment of the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and the payment of accrued interest and, at any time after the Issuer Security has become enforceable, the Trustee may take such steps as it may think fit to enforce or realise the Issuer Security. The Trustee 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. If, following enforcement of the Issuer Security, the Trustee or any receiver appointed by it proposes to dispose of any interest in a Loan or its related Loan Security, the Trustee must first (if it has not already done so) serve an Acceleration Notice.

10.2 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 Issuer Secured Creditors other than the holders of the Most Senior Class of Notes outstanding under the Issuer Deed of Charge.

10.3 If the Trustee has taken enforcement action under the Issuer Deed of Charge and distributed all of the resulting proceeds (including the proceeds of realising the security thereunder), to the extent that any amount is still owing to any Noteholder (a **Shortfall**), any such Noteholder shall not be entitled to proceed directly against the Issuer in order to claim such Shortfall and the Trustee shall not be responsible for any liability occasioned thereby.

11. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND DISCRETIONS

11.1 The Trust Deed contains provisions for convening meetings of Noteholders of any Class (other than the Class X Notes) 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 affecting the rights and benefits of the Issuer which are comprised in the Issuer Security.

The quorum at any meeting of the Noteholders of any Class (other than the Class X Notes) 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, 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.

The Class X Noteholders shall not be entitled to hold class meetings or to pass resolutions (including Extraordinary Resolutions).

An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all the Class X Noteholders (subject as provided below), the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, irrespective of its effect upon them except an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or the Issuer Deed of Charge, which shall not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of each of the other Classes of Notes (other than the Class X Notes) or it shall have been sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes (other than the Class X Notes).

An Extraordinary Resolution passed at any meeting of the Class B Noteholders shall be binding on all the Class X Noteholders (subject as provided below), the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, irrespective of its effect upon them except (other than an Extraordinary Resolution referred to in the previous paragraph) an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or the Issuer Deed of Charge, which shall not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of each of the other Classes of Notes (other than the Class X Notes) or it shall have been sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes (other than the Class X Notes).

An Extraordinary Resolution passed at any meeting of the Class C Noteholders shall be binding on all the Class X Noteholders (subject as provided below), the Class D Noteholders and the Class E Noteholders, irrespective of its effect upon them except (other than an Extraordinary Resolution referred to in the previous paragraphs) an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or the Issuer Deed of Charge, which shall not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of each of the other Classes of Notes (other than the Class X Notes) or it shall have been sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes (other than the Class X Notes).

An Extraordinary Resolution passed at any meeting of the Class D Noteholders shall be binding on all the Class X Noteholders (subject as provided below), the Class E Noteholders, irrespective of its effect upon them except (other than an Extraordinary Resolution referred to in the previous paragraphs) an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or the Issuer Deed of Charge, which shall not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of each of the other Classes of Notes (other than the Class X Notes) or it shall have been sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes (other than the Class X Notes).

An Extraordinary Resolution passed at any meeting of the Class E Noteholders shall be binding on all the Class X Noteholders (subject as provided below), irrespective of its effect upon them except (other than an Extraordinary Resolution referred to in the previous paragraphs) an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or the Issuer Deed of Charge, which shall not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of each of the other Classes of Notes (other than the Class X Notes) or it shall have been sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes (other than the Class X Notes).

No Extraordinary Resolution to authorise or sanction a modification (including a Basic Terms Modification) or a waiver or authorisation of any breach or proposed breach of any provisions of the Trust Deed, these Conditions or any other Transaction Documents shall be binding on the Class X Noteholders unless the Class X Noteholders have confirmed in writing to the Trustee that their interests will not be materially prejudiced thereby (a **Class X Consent Notice**).

As used in these Conditions and the Trust Deed:

(a) **Extraordinary Resolution** means (i) a resolution passed at a meeting of a 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 (ii) a resolution in writing signed by or on behalf of not less than 90 per cent. in aggregate Principal Amount Outstanding of the Noteholders of a Class, 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

(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 are to be made;

(iii) alteration of the quorum or 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 19(i)** of **Schedule 4** to the Trust Deed;

(v) alteration of this definition or the provisos to **paragraphs 7** and/or **19** of **Schedule 4** to the Trust Deed;

(vi) alteration of the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments, the Post-Enforcement/Pre-Acceleration 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.

11.2 The Trustee may agree, without the consent of the Noteholders, (i) 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 holders of the Most Senior Class of Notes then outstanding or (ii) to any modification of these Conditions or any of the other Transaction Documents, which, in the opinion of the Trustee, 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, determine that Note Events of Default shall not, or shall not subject to specified conditions, be treated as such, provided that, in the opinion of the Trustee, it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding to do so. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders in accordance with **Condition 14** (Notice to Noteholders) as soon as practicable thereafter.

11.3 The Trustee shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, any confirmation by any of the Rating Agencies that the then current ratings of the Notes or, as the case may be, any Class or Classes of the Notes would not be adversely affected by such exercise or performance.

11.4 Where, in connection with the exercise or performance by the Trustee of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the other Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Trustee is required to have regard to the interests of the Noteholders or the Noteholders of any Class, it shall have regard to the general interests of the Noteholders or the Noteholders of such Class as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer or the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

12. INDEMNIFICATION AND EXONERATION OF THE TRUSTEE

The Trust Deed and the Issuer Deed of Charge each contains 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 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.

Each of the Trust Deed and the Issuer Deed of Charge contains provisions pursuant to which the Trustee, or any of its related companies is entitled, among other things, (i) 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, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of the Noteholders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed and the Issuer Deed of Charge also relieve 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. The Trustee has no responsibility in relation to the legality, validity, sufficiency, adequacy and enforceability of the Issuer Security, the Issuer Charged Property 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 Master Servicer, the Cash Manager 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.

The Trust Deed and the Issuer Deed of Charge contain other provisions limiting the responsibility, duties and liability of the Trustee.

The Trust Deed and the Issuer Deed of Charge contain provisions pursuant to which (i) 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 (ii) the Noteholders may by Extraordinary Resolution of the holders of each Class of Notes (other than the Class X Noteholders) 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 and the Issuer Deed of Charge, respectively.

13. REPLACEMENT OF THE NOTES

If any Global Note or Definitive Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent or the Registrar. Replacement of any mutilated, defaced, lost, stolen or destroyed Note 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 may reasonably require. Mutilated or defaced Global Notes or Definitive Notes must be surrendered before new ones will be issued.

Definitive Notes will be issued only if 40 days or more after the Issue Date any of the following apply:

(a) 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 and do so cease business and no alternative clearing system satisfactory to the Trustee is available; or

(b) the Depositary notifies the Issuer that it is at any time unwilling or unable to continue as Depositary and a successor is not able to be appointed by the Issuer with the prior written consent of the Trustee within 90 days of such notification; or

(c) the Trustee has given an Acceleration Notice to the Issuer; or

(d) the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) (or in the interpretation, application or administration of the same) of any applicable jurisdiction (including payments being made net of tax) which would not be suffered were the relevant Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is delivered to the Trustee.

If Definitive Notes are issued, the beneficial interests represented by the Reg S Global Note of each class shall be exchanged in whole (but not in part) by the Issuer for Reg S Definitive Notes and the beneficial interests represented by the Rule 144A Global Note of each class shall be exchanged in whole (but not in part) by the Issuer for Rule 144A Definitive Notes, in each case, in the aggregate amount equal to the Principal Amount Outstanding of the relevant Reg S Global Note or Rule 144A Global Note, as the case may be, subject to and in accordance with the detailed provisions of the Agency Agreement, the Trust Deed and the relevant Global Notes.

14. NOTICE TO NOTEHOLDERS

14.1 Notices to Noteholders may be given by delivery of the relevant notice to Clearstream, Luxembourg and/or Euroclear for communication by them to Noteholders 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 day of such delivery.

14.2 A copy of each notice given by the Issuer in accordance with this **Condition 14** shall be provided by the Issuer to each of Fitch Ratings Ltd. (**Fitch**), Moody's Investors Service Limited (**Moody's**), Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**), DBRS (Europe) Limited (**DBRS** and, together with Fitch, Moody's and S&P, 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. The Trustee will (at the expense of the Issuer) upon request from the Issuer or any of the Rating Agencies provide a copy to the Rating Agencies of any notice given by the Trustee to Noteholders under this **Condition 14** .

14.3 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.

15. SUBORDINATION BY DEFERRAL

15.1 Interest

In the event that, on any Interest Payment Date, the amount available to the Issuer, subject to and in accordance with the applicable Priority of Payments to apply on such Interest Payment Date, in respect of interest due (including interest on unpaid interest) on the Class X Notes, the Class B Notes, the Class C Notes, the Class D Notes and/or the Class E Notes after, in each case, deducting amounts ranking in priority thereto under the applicable Priority of Payments (each, an **Interest Residual Amount**), is not sufficient to satisfy in full the aggregate amount of interest (including interest on unpaid interest) due, but for this **Condition 15.1**, on the Class X Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as the case may be, on such Interest Payment Date, there shall instead be payable on such Interest Payment Date, by way of interest (including interest on unpaid interest) on each Class X Note, Class B Note, Class C Note, Class D Note or Class E Note, as the case may be, only a *pro rata* share of the Interest Residual Amount attributable to the relevant Class of Notes on such Interest Payment Date.

In any such event, the Cash Manager acting on behalf of the Issuer shall create a provision in its accounts for the shortfall equal to the amount by which the aggregate amount of interest (including interest on unpaid interest) paid on the Class X Notes or, as the case may be, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes on the relevant Interest Payment Date in accordance with this **Condition 15.1** falls short of the aggregate amount of interest (including interest on unpaid interest) payable (but for the provisions of this **Condition 15.1**) on the Class X Notes or, as the case may be, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes on that date pursuant to **Condition 4** (Interest). Such shortfall shall itself accrue interest at the same rate as that payable in respect of the Class X Notes or, as the case may be, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes and shall be payable together with such accrued interest on the following Interest Payment Date, subject to the provisions of the preceding paragraph. The foregoing provisions of this **Condition 15.1** will not apply to any AFC Excess Interest Amounts in respect of the Class E Notes as to which **Condition 4.8** (Interest on the Class E Notes) will apply.

15.2 General

Any amounts of principal (other than in respect of any Allocated Loan Principal Write-Down Amount) or interest in respect of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes otherwise payable under these Conditions which are not paid by virtue of this **Condition 15**, together with accrued interest thereon, shall in any event become payable on the Final Maturity Date or on such earlier date as the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as the case may be, become due and repayable in full.

15.3 Application

The provisions of the first paragraph of **Condition 15.1** (Interest**)** shall cease to apply:

(a) in respect of the Class B Notes, upon the redemption in full of all Class A Notes;

(b) in respect of the Class C Notes, upon the redemption in full of all Class B Notes;

(c) in respect of the Class D Notes, upon the redemption in full of all Class C Notes; and

(d) in respect of the Class E Notes, upon the redemption in full of all Class D Notes.

15.4 Notification

As soon as practicable after becoming aware that any part of a payment of interest or principal on the Class B Notes or, as the case may be, the Class C Notes, the Class D Notes or the Class E Notes will be deferred or that a payment previously deferred will be made in accordance with this **Condition 15**, the Issuer will give notice thereof to the Class B Noteholders or, as the case may be, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders in accordance with **Condition 14** (Notice to Noteholders).

16. RIGHTS OF THIRD PARTIES

This Note does not confer any rights on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, 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.

17. LIMITED RECOURSE

Notwithstanding any other of these Conditions or the Trust Deed, the obligations of the Issuer to make any payment under the Notes shall be equal to the nominal amount of such payment or, if less, the actual amount received or recovered from time to time by or on behalf of the Issuer which consists of funds which are entitled to be applied by the Issuer in making such payment in accordance with the Mortgage Management and Agency Agreement or upon enforcement of the Issuer Security constituted by the Issuer Deed of Charge. The obligations of the Issuer under these Conditions and the Trust Deed in respect of the Notes will be limited to such amounts from time to time and the Noteholders and the Trustee will have no further recourse to the Issuer in respect of such obligations.

On enforcement of the Issuer Security and distribution of its proceeds in accordance with the Issuer Deed of Charge, none of the Noteholders or the Trustee may take any further steps against the Issuer in respect of any amounts payable on the Notes and all claims against the Issuer in respect of those payments shall be extinguished and discharged.

Nothing in this **Condition 17** shall affect a payment under the Notes from falling due for the purposes of **Condition 9** (Events of Default).

18. U.S. FEDERAL INCOME TAX TREATMENT AND PROVISION OF INFORMATION

For so long as any Notes remain outstanding and are "restricted securities" (as defined in Rule 144(a)(3) under the Securities Act), the Issuer shall, during any period in which it is neither subject to Section 13 or Section 15(d) of the United States Exchange Act of 1934, as amended (the **Exchange Act**) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, furnish, at its expense, to any holder of, or owner of an interest in, such Notes in connection with any resale thereof and to any prospective purchaser designated by such holder or owner, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

19. GOVERNING LAW

The Trust Deed, these Conditions and the Notes are governed by, and will be construed in accordance with, English law.

UNITED KINGDOM TAXATION

The following, which applies only to persons who are the beneficial owners of the Notes, is a summary of current United Kingdom tax law and H.M. Revenue and Customs practice as at the date of this Prospectus relating to certain aspects of United Kingdom taxation of the Notes. It is not a comprehensive analysis of the tax consequences arising in respect of the Notes. Some aspects do not apply to certain classes of taxpayer (such as dealers and persons connected with the Issuer). Prospective Noteholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

1. Interest on the Notes

1.1 *Withholding tax on payments of interest on the Notes*

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a "recognised stock exchange" within the meaning of section 841 of the Income and Corporation Taxes Act 1988 (the **Act**). The Irish Stock Exchange is a recognised stock exchange. Under a United Kingdom H.M. Revenue and Customs (**HMRC**) interpretation, the Notes will satisfy this requirement if they are listed by the competent authority in Ireland and are admitted to trading by the Irish Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid to a person whose usual place of abode is not outside the United Kingdom for United Kingdom tax purposes and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner of the interest is within the charge to United Kingdom corporation tax as regards the payment of interest or that the payment is made to one of the persons listed in section 349B of the Act in the circumstances specified in section 349B, provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the lower rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

1.2 *Provision of information*

Noteholders may wish to note that in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

1.3 *Further United Kingdom income tax issues*

Interest on the Notes will constitute United Kingdom source income and, as such, may be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation through a United Kingdom branch or agency in connection with which the interest is received or to which the Notes are attributable (and where that Noteholder is a company, unless that Noteholder carries on a trade in the United Kingdom through a permanent establishment in connection with which interest is received or to which the Notes are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may be relevant for such Noteholders.

2. United Kingdom corporation tax payers

In general, Noteholders which are within the charge to United Kingdom corporation tax in respect of the Notes will be charged to tax and obtain relief as income on all returns, profits and gains on, and fluctuations in value of, the Notes (whether attributable to currency fluctuation or otherwise) broadly in accordance with their statutory accounting treatment.

3. Other United Kingdom tax payers

3.1 *Taxation of chargeable gains*

A disposal of Notes by an individual Noteholder who is resident or ordinarily resident in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable, may give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains.

3.2 *Accrued income scheme*

On a disposal of Notes by a Noteholder, any interest which has accrued between the last Interest Payment Date and the date of disposal may be chargeable to tax as income under the rules of the "accrued income scheme" as set out in Chapter II of Part XVII of the Act, if that Noteholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable.

4. Stamp Duty and Stamp Duty Reserve Tax (SDRT)

No United Kingdom stamp duty or SDRT is payable on the issue of the Notes into, or transfer by delivery of the Notes, within a clearing system.

5. EU Directive on the Taxation of Savings Income

Under the EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or other 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). A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland).

U.S. FEDERAL INCOME TAX CONSIDERATIONS

U.S. Federal Income Taxation

To ensure compliance with Internal Revenue Service Circular 230, investors are hereby notified that: (a) any discussion of federal tax issues contained or referred to in this Offering Circular is not intended or written to be used, and cannot be used, by investors for the purpose of avoiding penalties that may be imposed on them under the Code; (b) such discussion is written to support the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax adviser.

General

The following is a general summary of certain material U.S. federal income tax consequences that may be relevant with respect to the purchase, ownership and disposition of the Notes. This summary addresses only the U.S. federal income tax considerations of holders who purchase the Notes from the Initial Purchaser pursuant to this Offering at the original issue price and that will hold the Notes as capital assets. It is not a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. In particular, this summary does not address tax considerations applicable to holders that are subject to special tax rules, including, without limitation, the following: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in securities or currencies or notional principal contracts; (iv) tax-exempt entities; (v) regulated investment companies; (vi) real estate investment trusts; (vii) persons that will hold the Notes as part of a "hedging" or "conversion" transaction or as a position in a "straddle" or as part of a "synthetic security" or other integrated transaction for U.S. federal income tax purposes; (viii) persons that own (or are deemed to own) 10 per cent. or more of the Issuer's voting shares or interests treated as equity; (ix) partnerships or pass-through entities or persons who hold the Notes through partnerships or other pass-through entities; (x) U.S. Holders (as defined below) that have a "functional currency" other than the U.S. dollar; and (xi) certain U.S. expatriates and former long-term residents of the United States. Further, this summary does not address alternative minimum tax consequences or the indirect effects on the holders of equity interests in a holder of the Notes. This summary also does not describe any tax consequences arising under the laws of any taxing jurisdiction other than the federal income tax laws of the U.S. federal government.

This summary is based on the Code, U.S. Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect and available on the date of this Offering Circular. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

For the purposes of this summary, a U.S. Holder is a beneficial owner of the Notes that is, for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation or other entity treated as a corporation, created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. Persons have the authority to control all of the substantial decisions of such trust or (y) it has a valid election in effect under the applicable Treasury Regulations to be treated as a U.S. Person. A Non-U.S. Holder is a beneficial owner of the Notes that is not a U.S. Holder. If a partnership or other pass-through entity taxable as a partnership holds the Notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership holding the Notes should consult its own tax adviser.

No rulings have been sought from the United States Internal Revenue Service (the **IRS**) regarding the matters discussed herein and there can be no assurance that the IRS will agree with the conclusions expressed. This discussion is a general summary and does not cover all tax matters that may be important to a particular investor. **Prospective investors should consult their own tax advisers regarding the proper treatment of the Notes for U.S. federal income tax purposes and the tax consequences of an investment in the Notes under the federal, state and local laws of the United States and any other jurisdiction where the investor may be subject to taxation with respect to their particular situation.**

Taxation of U.S. Holders of the Notes

Characterisation of the Notes

The U.S. federal income tax treatment of the Notes will depend upon whether the Notes are classified as debt or equity for U.S. federal income tax purposes. However, there are no authorities directly addressing similar transactions involving instruments issued by an entity with terms similar to those of the Notes. As a result, certain aspects of the U.S. federal income tax consequences of an investment in the Notes are not entirely certain. Moreover, the Issuer will not seek a ruling from the IRS regarding the characterization of the Notes, for U.S. federal income tax purposes, and the Issuer has not obtained an opinion from tax counsel regarding the characterization of the Class D Notes, the Class E Notes or the Class X Notes. Accordingly, there can be no assurance that the IRS will agree with, or a court will uphold, the conclusions expressed herein.

The Issuer intends to treat the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as debt for U.S. federal income tax purposes. Each U.S. Holder, by purchasing a Class A Note, Class B Note, Class C Note or Class D Note, agrees to treat the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as debt for U.S. federal income tax purposes. Upon the issuance of the Notes, the Issuer will receive an opinion from Allen & Overy LLP (**U.S. Tax Counsel**) that although there is no statutory, judicial or administrative authority directly addressing the characterization of the Notes for U.S. federal income tax purposes, the Class A Notes, the Class B Notes and the Class C Notes will, when issued, be treated as indebtedness for U.S. federal income tax purposes. The foregoing opinion will not be binding upon the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Notes. Accordingly, there can be no assurances that the IRS will not contend, and that a court will not ultimately hold, that any of the Class A Notes, Class B Notes, Class C Notes or Class D Notes are equity in the Issuer or that any of the other items discussed below are treated differently. If any of the Class A Notes, Class B Notes, Class C Notes or Class D Notes were treated as equity in the Issuer for U.S. federal income tax purposes, there might be adverse tax consequences upon the sale, exchange, or other disposition of, or the receipt of certain types of distributions on, such Notes by a U.S. Holder as discussed under — *Tax Considerations Applicable to the Class E Notes and Class X Notes* below.

Although issued in the form of debt, given the subordination level and other terms of the Class E Notes and the Class X Notes, the Issuer intends, and by purchasing the Class E Notes or the Class X Notes, the U.S. Holders of the Class E Notes or the Class X Notes agree, to treat the Class E Notes and the Class X Notes as equity for U.S. federal income tax purposes (see discussion under — *Tax Considerations Applicable to the Class E Notes and the Class X Notes* below). A U.S. Holder of a Class E Note or Class X Note would be treated as owning an equity interest in a passive foreign investment company for U.S. federal income tax purposes. Accordingly, a U.S. Holder of a Class E Note or Class X Note may be subject to adverse tax consequences upon the sale, exchange, retirement or other disposition of, or the receipt of certain types of distributions on, such Note. In addition, the Issuer's income, gain or loss, as determined for U.S. federal income tax purposes, could impact the recognition of income, gain or loss with respect to the Class E Notes or the Class X Notes by a U.S. Holder for U.S. federal income tax purposes.

The discussion below assumes that the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be treated as debt for U.S. federal income tax purposes and the Class E Notes and the Class X Notes will be treated as equity for U.S. federal income tax purposes. If any Class of Notes were treated as equity in, rather than debt of the Issuer for U.S. federal income tax purposes, there might be adverse consequences upon the sale, exchange, retirement, or other disposition of, or the receipt of certain types of distributions on, such Class of Notes by a U.S. Holder (see discussion under — *Tax Considerations Applicable to the Class E Notes and the Class X Notes* below).

Prospective investors should consider the U.S. federal income tax consequences of investing in the Notes under either characterization, both of which are discussed below, and should consult their own tax advisers as to the proper treatment of the Notes for U.S. federal income tax purposes in their particular situation.

Tax Considerations Applicable to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes

Payments of Interest. Generally, stated interest on a Class A Note, Class B Note, Class C Note or Class D Note that is considered "unconditionally payable" (as described below) will be includible in income by a U.S. Holder when received or accrued in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes from sources outside the United States.

If the "stated redemption price at maturity" (**SRPM**) of a Class A Note, Class B Note, Class C Note or Class D Note exceeds the "issue price" of such Class A Note, Class B Note, Class C Note or Class D Note by more than a "de minimis amount," then the excess of SRPM over the issue price may constitute original issue discount (**OID**). The SRPM of a debt instrument is generally the sum of all payments provided by the debt instrument other than "qualified stated interest" payments. The **Issue Price** is the first price at which a substantial amount of a debt instrument is sold to the public. The **de minimis amount** is any amount less than one-fourth of one percent of a debt instrument's SRPM multiplied by the number of complete years to maturity. **Qualified stated interest** is generally interest paid on a debt instrument that is unconditionally payable at least annually at a single fixed rate or at certain variable rates.

The Treasury Regulations provide that, for purposes of determining whether a debt instrument is issued with OID, stated interest must be included in the SRPM of the debt instrument if such interest is not "unconditionally payable." Interest is considered "unconditionally payable" if reasonable legal remedies exist to compel timely payment or terms and conditions of the debt instrument make the likelihood of late payment (other than late payment that occurs within a reasonable grace period) or non-payment (ignoring the possibility of non-payment due to default, insolvency or similar circumstances) a remote contingency. The Issuer intends, pursuant to its interpretation of the foregoing rules, to take the position that payments of interest on the Class A Notes are considered unconditionally payable, and thus not included in the SRPM of such Class A Notes and should be treated as "qualified stated interest".

Because the interest payments on the Class B Notes, Class C Notes and Class D Notes are subject to deferral (and the possibility of deferral may not be remote), the Issuer intends to take the position that all interest (including interest on accrued but unpaid interest) payable on the Class B Notes, Class C Notes and Class D Notes should be included in the SRPM and the Class B Notes, Class C Notes and Class D Notes should be treated as issued with OID. However, because there is no authority addressing when the likelihood of a contingency such as the deferral of interest should be considered not "remote", there can be no assurance the IRS will agree with this position.

The U.S. federal income tax treatment of the Class B Notes, Class C Notes and Class D Notes under the OID rules is uncertain. If the Class B Notes, Class C Notes and Class D Notes are issued at an

issue price equal to their principal amount, the Issuer intends not to calculate OID under the PAC Method referred to below, and instead to take the position that the amount of OID that accrued on such Class B Notes, Class C Notes and Class D Notes in each accrual period is equal to the amount of interest (including any deferred interest with respect to the Class B Notes, Class C Notes and Class D Notes) that accrues on such Class B Notes, Class C Notes and Class D Notes during such period. Unless the Class B Notes, Class C Notes and Class D Notes are issued at an issue price equal to their principal amount, in including stated interest in the SRPM of the Class B Notes, Class C Notes and Class D Notes, the Issuer intends, absent definitive guidance, to treat the Class B Notes, Class C Notes and Class D Notes, and the case may be, as subject to an income accrual method analogous to the methods applicable to debt instruments having payments that are contingent as to amount but not as to time and debt instruments whose payments are subject to acceleration (prescribed by section 1272(a)(6) of the Code) using an assumption as to the expected prepayments on the Class B Notes, Class C Notes and Class D Notes (the **PAC Method**). As such, accruals of any such additional OID will generally be based upon the weighted average life of such Class B Notes, Class C Notes and Class D Notes rather than the stated maturity.

Investors should consult their own tax advisers regarding the application of the OID rules to the Class B Notes, Class C Notes and Class D Notes and the tax characterisation and treatment of payments on such Notes.

Generally, a U.S. Holder of Class A Notes utilizing the cash method of accounting for U.S. federal income tax purposes that receives an interest payment denominated in a currency other than the U.S. dollar (a **foreign currency**), will be required to include in income the U.S. dollar value of that interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

A U.S. Holder of Class A Notes, Class B Notes, Class C Notes or Class D Notes that uses the accrual method of tax accounting, or a U.S. Holder of Class B Notes, Class C Notes or Class D Notes that uses the cash method of tax accounting is required to include in income the U.S. dollar value of the amount of interest income or OID accrued on a Class A Note, Class B Note, Class C Note or Class D Note during the accrual period. Such U.S. Holder may determine the amount of the interest income or OID to be recognised in accordance with either of two methods. Under the first accrual method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, the part of the period within the taxable year. Under the second accrual method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Alternatively, if the last day of the accrual period is within five business days of the date the interest payment is actually received, an electing accrual basis U.S. Holder may instead translate that interest payment at the exchange rate in effect on the day of actual receipt. Any election to use the second accrual method will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder and will be irrevocable without the consent of the IRS.

A U.S. Holder utilising either of the foregoing two accrual methods will recognize ordinary income or loss with respect to accrued interest income on the date of receipt of the interest payment, or OID (including a payment attributable to accrued but unpaid interest upon the sale, exchange or retirement of a Class A Note, Class B Note, Class C Note or Class D Note). The amount of ordinary income or loss will equal the difference between the U.S. dollar value of the interest payment received (determined on the date the payment is received) in respect of the accrual period and the U.S. dollar value of interest income that has accrued during that accrual period (as determined under the accrual method utilized by the U.S. Holder).

Sale, Exchange or Retirement of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. A U.S. Holder's tax basis in a Class A Note, Class B Note, Class C Note or Class D Note will generally equal its "U.S. dollar cost", plus any accrued OID, reduced by the amount of any payments received by the U.S. Holder with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes that are not qualified stated interest payments. The **U.S. Dollar Cost** of a Class A Note, Class B Note, Class C Note or Class D Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Class A Notes, Class B Notes, Class C Notes and Class D Notes traded on an established securities market (as defined in the applicable U.S. Treasury Regulations) that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder will generally recognize gain or loss on the sale, exchange or retirement of a Class A Note, Class B Note, Class C Note or Class D Note equal to the difference between the amount realized and the tax basis of the Class A Notes, Class B Notes, Class C Notes or Class D Notes. That gain or loss will be a capital gain or loss and generally will be treated as from sources within the United States. The amount realized on the sale, exchange or retirement of a Class A Note, Class B Note, Class C Note or Class D Note for an amount in foreign currency will be the U.S. dollar value of that amount on (i) the date the payment is received in the case of a cash basis U.S. Holder, (ii) the date of disposition in the case of an accrual basis U.S. Holder, or (iii) in the case of a Class A Note, Class B Note, Class C Note or Class D Note traded on an established securities market (as defined in the applicable U.S. Treasury Regulations), that is sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale.

Gain or loss recognised by a U.S. Holder on the sale, exchange or retirement of a Class A Note, Class B Note, Class C Note or Class D Note that is attributable to changes in currency exchange rates will be ordinary income or loss and will be characterized as principal exchange gain or loss (and not as interest income or expense). Principal exchange gain or loss will equal the difference between the U.S. dollar value of the U.S. Holder's purchase price of the Class A Notes, Class B Notes, Class C Notes or Class D Notes in foreign currency determined on the date of the sale, exchange or retirement, and the U.S. dollar value of the U.S. Holder's purchase price of the Class A Notes, Class B Notes, Class C Notes or Class D Notes in foreign currency determined on the date the U.S. Holder acquired the Class A Notes, Class B Notes, Class C Notes or Class D Notes. The foregoing foreign currency gain or loss will be recognised only to the extent of the total gain or loss realized by the U.S. Holder on the sale, exchange or retirement of the Class A Notes, Class B Notes, Class C Notes or Class D Notes, and will generally be treated as from sources within the United States for U.S. foreign tax credit limitation purposes.

Any gain or loss recognised by a U.S. Holder in excess of foreign currency gain recognised on the sale, exchange or retirement of a Class A Note, Class B Note, Class C Note or Class D Note would generally be U.S. source capital gain or loss (except to the extent such amounts are attributable to accrued but unpaid interest or subject to the general rules governing contingent payment obligations). **Prospective investors should consult their own tax advisers with respect to the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers that are individuals, trusts or estates and that held the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes for more than one year) and capital losses (the deductibility of which is subject to limitations).**

A U.S. Holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a Class A Note, Class B Note, Class C Note or Class D Note equal to the U.S. dollar value of the foreign currency at the time of the sale, exchange or retirement. Gain or loss, if any, realized by a U.S. Holder on a sale or other disposition of such foreign currency will be ordinary income or loss and will generally be income from sources within the United States for foreign tax credit limitation purposes.

Tax Treatment of U.S. Holders of Class E Notes or Class X Notes

Although not denominated as equity, based on the capital structure of the Issuer and the terms of the Class E Notes and the Class X Notes, it is likely the Class E Notes and the Class X Notes will be treated as equity for U.S. federal income tax purposes. The Issuer will treat, and each holder of Class E Notes or Class X Notes will agree by purchase of such Class E Notes or Class X Notes to treat, in the absence of an administrative determination or judicial ruling to the contrary, the Class E Notes and the Class X Notes as equity for U.S. federal income tax purposes. As a result, a U.S. Holder of a Class E Note or Class X Note would be treated as owning an equity interest in a passive foreign investment company (and possibly a controlled foreign corporation) for U.S. federal income tax purposes. Accordingly, a U.S. Holder of a Class E Note or Class X Note may be subject to adverse tax consequences upon the sale, exchange, retirement or other disposition of, or the receipt of certain types of distributions on, such Class E Note or Class X Note. In addition, the Issuer's income, gain or loss, as determined for U.S. federal income tax purposes, could impact the recognition of income, gain or loss with respect to the Class E Notes and the Class X Notes by a U.S. Holder for U.S. federal income tax purposes. **Prospective investors should consult their own tax advisers about the U.S. federal income tax consequences of a U.S. Holder owning equity interests in a passive foreign investment company or a controlled foreign corporation.** The following discussion is based on the assumption that the Class E Notes and the Class X Notes are treated as equity of the Issuer for U.S. federal income tax purposes.

Investment in a Passive Foreign Investment Company. The Issuer will constitute a "passive foreign investment company" (**PFIC**) and the Class E Notes and the Class X Notes will be treated as equity in the Issuer for U.S. federal income tax purposes. Accordingly, U.S. Holders of Class E Notes or Class X Notes (other than certain U.S. Holders that are subject to the rules pertaining to a "controlled foreign corporation" with respect to the Issuer, described below) will be considered U.S. shareholders in a PFIC. In general, a U.S. Holder of an equity interest in a PFIC may desire to make an election to treat the Issuer as a "qualified electing fund" (**QEF**) with respect to such U.S. Holder. Generally, a QEF election should be made with the filing of a U.S. Holder's federal income tax return for the first taxable year for which it held the Class E Notes or the Class X Notes. If a timely QEF election is made for the Issuer, an electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, such holder's *pro rata* share of the Issuer's ordinary earnings and (ii) as long-term capital gain, such holder's *pro rata* share of the Issuer's net capital gain, whether or not distributed. For this purpose, a U.S. Holder's *pro rata* share of the Issuer's ordinary income and net capital gain is the amount which would have been distributed to the U.S. Holder if, on each day during its taxable year, the Issuer had distributed to each U.S. Holder of an equity interest a *pro rata* share of that day's *pro rata* share of the Issuer's ordinary earnings and net capital gain for such year. A U.S. Holder will not be eligible for the preferential income tax rate on "qualified dividend income" (as defined in the Code) or the dividends received deduction in respect of such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to such U.S. Holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. An amount included in an electing U.S. Holder's gross income generally should be treated as income from sources outside the United States for U.S. foreign tax credit limitation purposes. If applicable to a U.S. Holder of Class E Notes or Class X Notes, the rules pertaining to a "controlled foreign corporation", discussed below, generally override those pertaining to a PFIC with respect to which a QEF election is in effect.

The Issuer's income, gain or loss, as determined for U.S. federal income tax purposes, could impact the U.S. Holder's recognition of income, gain or loss for U.S. federal income tax purposes where such holder has made a QEF election. In certain cases in which a QEF does not distribute all of its earnings in a taxable year, U.S. shareholders may also be permitted to elect to defer payment of some or all of the taxes on the QEF's undistributed income subject to an interest charge on the deferred amount. As a result, the Issuer may have in any given year substantial amounts of earnings for U.S.

federal income tax purposes that are not distributed on the Class E Notes or the Class X Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

In addition, in the event that any portion of the Class A Notes, Class B Notes, Class C Notes or Class D Notes is not fully paid upon maturity, the Issuer in some circumstances may recognise income without any corresponding offsetting losses (due to tax character differences or otherwise). In such circumstances, holders of Class E Notes or Class X Notes that have made a QEF election may have phantom income as a result of such recognition by the Issuer, for which offsetting losses may never be realised by holders. Moreover, if the Issuer invests in obligations that are not in registered form, a U.S. Holder making a QEF election (i) may not be permitted to take a deduction for any loss attributable to such obligations when calculating its share of the Issuer's earnings and (ii) may be required to treat income attributable to such obligations as ordinary income even though the income would otherwise constitute capital gains. It is possible that some portion of the investments of the Issuer will constitute obligations that are not in registered form.

Each U.S. Holder who desires to make a QEF election must individually make the QEF election. The QEF election is effective for the U.S. Holder's taxable year for which it is made and all subsequent taxable years and may not be revoked without the consent of the IRS. U.S. Holders seeking to make a QEF election must timely file an IRS Form 8621 with its U.S. federal income tax return for the relevant taxable year. The Issuer will provide, upon written request, all information and documentation that a U.S. Holder making a QEF election is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Class E Notes or Class X Notes (other than certain U.S. Holders that are subject to the rules pertaining to a "controlled foreign corporation," described below) that does not make a timely QEF election will be required to report any gain on disposition of any Class E Notes or Class X Notes as if it were an excess distribution, rather than capital gain, and to compute the tax liability on such gain and other "excess distributions" received in respect of the Class E Notes or the Class X Notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Class E Notes or the Class X Notes. The U.S. Holder will be subject to tax on such items at the highest ordinary income tax rate for each taxable year, other than the current year of the U.S. Holder, in which the items were treated as having been earned, regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for an additional tax equal to interest on the tax liability attributable to income allocated to prior years as if such liability had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganizations and use of the Class E Notes or the Class X Notes as security for a loan may be treated as a taxable disposition of the Class E Notes or the Class X Notes. Very generally, an "excess distribution" is the amount by which distributions during a taxable year in respect of a Class E Note or Class X Notes exceed 125 percent of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Class E Note or Class X Note). Because the amounts distributable on the Class E Notes and the Class X Notes are variable, it is possible that a U.S. Holder will receive "excess distributions" as a result of fluctuations in the amount of available funds on each Payment Date over the term of the Class E Notes and the Class X Notes.

In many cases, application of the tax on gain on disposition and receipt of excess distributions will be substantially more onerous than the treatment applicable if a timely QEF election is made. ACCORDINGLY, U.S. HOLDERS OF CLASS E NOTES OR CLASS X NOTES SHOULD CONSIDER CAREFULLY WHETHER TO MAKE A QEF ELECTION WITH RESPECT TO THE CLASS E NOTES OR CLASS X NOTES AND THE CONSEQUENCES OF NOT MAKING SUCH AN ELECTION AND SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE

PROCEDURES REQUIRED TO BE FOLLOWED IN MAKING A QEF ELECTION AND ALL THE CONSEQUENCES OF MAKING AND OF FAILURE TO MAKE A QEF ELECTION.

PFIC Information Returns. Each U.S. Holder of Class E Notes or Class X Notes must make an annual return on IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which it holds a direct or indirect interest. Prospective purchasers should consult their own tax advisers regarding the status of the Issuer as a PFIC, whether an investment in the Class E Notes or the Class X Notes will be treated as an investment in PFIC stock and the consequences of an investment in a PFIC.

Investment in a Controlled Foreign Corporation. The Issuer may be classified as a controlled foreign corporation (**CFC**). In general, a foreign corporation will be classified as a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, is owned (actually or constructively) by U.S. Shareholders. A **U.S. Shareholder**, for this purpose, is in general any U.S. Holder that possesses (actually or constructively) 10% or more of the combined voting power (generally the right to vote for directors of the corporation) of all classes of shares of a corporation. Although the Class E Notes and the Class X Notes do not vote for directors of the Issuer, it is possible that the IRS would assert that the Class E Notes or the Class X Notes are de facto voting securities and that U.S. Holders possessing (actually or constructively) 10% or more of the total stated amount of outstanding Class E Notes and/or Class X Notes are U.S. Shareholders. If this argument were successful and more than 50% of the Class E Notes and/or the Class X Notes (determined with respect to aggregate value or vote) are owned (actually or constructively) by such U.S. Shareholders, the Issuer would be treated as a CFC.

If the Issuer were treated as a CFC, a U.S. Shareholder of the Issuer (at the end of the taxable year of the Issuer) would be treated, subject to certain exceptions, as receiving a deemed dividend in an amount equal to that person's *pro rata* share of the "subpart F income" of the Issuer. Such deemed dividend normally would be treated as income from sources within the United States for U.S. foreign tax credit limitation purposes to the extent that it is attributable to income of the Issuer from sources within the United States. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, income from certain notional principal contracts, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, all or most of its income would be subpart F income. In general, if the subpart F income exceeds 70% of the Issuer's gross income, the entire amount of the Issuer's income will be subpart F income. U.S. Holders should consult their tax advisers regarding these special rules.

If the Issuer were treated as a CFC, a U.S. Shareholder of the Issuer which made a QEF election with respect to the Issuer would be taxable on the subpart F income of the Issuer under rules described in the preceding paragraph and not under the QEF rules previously described. As a result, to the extent subpart F income of the Issuer includes net capital gains, such gains would be treated as ordinary income of the U.S. Shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules.

Furthermore, if the Issuer were treated as a CFC and a U.S. Holder were treated as a U.S. Shareholder therein, the Issuer would not be treated as a PFIC or a QEF with respect to such U.S. Holder for the period during which the Issuer remained a CFC and such U.S. Holder remained a U.S. Shareholder therein (the "qualified portion" of the U.S. Holder's holding period for the Class E Notes or the Class X Notes). If the qualified portion of such U.S. Holder's holding period for the Class E Notes or the Class X Notes subsequently ceased (either because the Issuer ceased to be a CFC or the U.S. Holder ceased to be a U.S. Shareholder), then solely for purposes of the PFIC rules, such U.S. Holder's holding period for the Class E Notes or the Class X Notes would be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder had owned any Class E Notes

or Class X Notes for any period of time prior to such qualified portion and had not made a QEF election with respect to the Issuer. In that case, the Issuer would again be treated as a PFIC which is not a QEF with respect to such U.S. Holder and the beginning of such U.S. Holder's holding period for the Class E Notes or the Class X Notes would continue to be the date upon which such U.S. Holder acquired the Class E Notes or the Class X Notes, unless the U.S. Holder made an election to recognize gain with respect to the Class E Notes or the Class X Notes and a QEF election with respect to the Issuer.

The relationship between the PFIC and CFC rules and the possible consequences of those rules for a particular U.S. Holder depend upon the circumstances of the Issuer and the U.S. Holder. U.S. Holders should note that, under the PFIC or CFC rules described above, U.S. Holders may be required to recognise income for tax purposes that substantially exceeds the cash they receive in any taxable period.

Each prospective investor should consult its tax adviser about the possible application of the PFIC and CFC rules to its particular situation.

Distributions on the Class E Notes and the Class X Notes. The treatment of actual distributions of cash on the Class E Notes and the Class X Notes, in very general terms, will vary depending on whether a U.S. Holder has made a timely QEF election as described above. See *—Investment in a Passive Foreign Investment Company*. If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to U.S. Holders. Distributions in excess of such previously taxed amounts pursuant to a QEF election (or pursuant to the CFC rules, if applicable) will be taxable to U.S. Holders as ordinary income upon receipt to the extent of any remaining amounts of untaxed current and accumulated earnings and profits of the Issuer. Distributions in excess of any current and accumulated earnings and profits will be treated first as a nontaxable reduction to the U.S. Holder's tax basis for the Class E Notes or the Class X Notes to the extent thereof and then as capital gain.

In the event that a U.S. Holder does not make a timely QEF election, then except to the extent that distributions may be attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Class E Notes or the Class X Notes may constitute "excess distributions", taxable as previously described. See *—Investment in a Passive Foreign Investment Company*. In that event, except to the extent that distributions may be attributable to amounts previously taxed to the U.S. Holder pursuant to the CFC rules or are treated as "excess distributions," distributions on the Class E Notes or the Class X Notes generally would be treated as dividends to the extent paid out of the Issuer's current or accumulated earnings and profits not allocated to any "excess distributions," then as a nontaxable reduction to the U.S. Holder's tax basis for the Class E Notes or the Class X Notes to the extent thereof and then as capital gain. Dividends received from a foreign corporation generally will be treated as income from sources outside the United States for U.S. foreign tax credit limitation purposes.

Purchase or Disposition of the Class E Notes and the Class X Notes. In general, a U.S. Holder of a Class E Note or Class X Note that has made a timely QEF election will recognize a gain or loss upon the sale, exchange, redemption or other taxable disposition of a Class E Note or Class X Note equal to the difference between the amount realized and such U.S. Holder's adjusted tax basis in the Class E Note or Class X Note. Except as discussed below, such gain or loss will be a capital gain or loss and will be a long-term capital gain or loss if the U.S. Holder held the Class E Notes or the Class X Notes for more than one year at the time of the disposition. Prospective investors should consult their own tax advisers with respect to the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers that are individuals, trusts or estates and that held the Class E Notes or the Class X Notes for more than one year) and capital losses (the deductibility of which is subject to

limitations). Any gain recognised by a U.S. Holder on the sale, exchange, redemption or other taxable disposition of a Class E Note or Class X Note (other than, in the case of a U.S. Holder treated as a "U.S. Shareholder," any such gain characterized as a dividend, as discussed below) generally will be treated as from sources within the United States and loss so recognised generally will offset income from sources within the United States.

Initially, a U.S. Holder's tax basis for a Class E Note or Class X Note will equal the cost of such Class E Note or Class X Note to such U.S. Holder. Such basis will be increased by amounts taxable to such U.S. Holder by virtue of a QEF election, or by virtue of the CFC rules, as applicable, and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a nontaxable reduction to the U.S. Holder's tax basis for the Class E Notes or the Class X Note (as described above).

If a U.S. Holder does not make a timely QEF election as described above, any gain realized on the sale, exchange, redemption or other taxable disposition of a Class E Note or Class X Note (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules governing excess distributions described above. See *—Investment in a Passive Foreign Investment Company*.

If the Issuer were treated as a CFC and a U.S. Holder were treated as a "U.S. Shareholder" therein, then any gain realized by such U.S. Holder upon the disposition of Class E Notes or Class X Notes, other than gain constituting an excess distribution under the PFIC rules, if applicable, would be treated as ordinary income to the extent of the U.S. Holder's share of the current or accumulated earnings and profits of the Issuer. In this regard, earnings and profits would not include any amounts previously taxed pursuant to a timely QEF election or pursuant to the CFC rules.

Foreign Currency Considerations Applicable to Class E Notes and Class X Notes. A U.S. Holder that uses Sterling to purchase a Class E Note or Class X Note will recognise ordinary income or loss in an amount equal to the difference (if any) between the U.S. dollar value of the Sterling used to purchase the Class E Note or Class X Note determined at the spot rate of exchange in effect on the date of purchase of the Class E Note or Class X Note and such U.S. Holder's tax basis in the Sterling. A U.S. Holder will have an initial tax basis in a Class E Note or Class X Note equal to the U.S. dollar value of the purchase price based on the spot rate of exchange in effect on the date of purchase. Such basis will be increased by amounts taxable to such U.S. Holder by reason of a QEF election, or by reason of the CFC rules, as applicable, and decreased by the U.S. dollar value of Sterling paid by the Issuer (determined based on the spot rate of exchange on the date of the payment) that is deemed to consist of such previously taxed amounts or is treated as a non-taxable reduction to the U.S. Holder's tax basis for the Class E Notes or the Class X Notes (as described above).

If the amount includable in the taxable income of a U.S. Holder as a result of a QEF election or by reason of the CFC rules is reported to a U.S. Holder in British Pound Sterling, the amount includable in taxable income (and the resulting tax basis increase) will be the U.S. dollar equivalent of the average exchange rate during the tax year of the Issuer.

In addition, the amount of a payment in Sterling in respect of a Class E Note or Class X Note will be the U.S. dollar value of the payment determined at the spot rate on the date such payment is received, regardless of whether the payment is in fact converted into U.S. dollars. A U.S. Holder will recognise foreign currency exchange gain or loss with respect to payments of amounts previously taxed to the holder (by reason of a QEF election or under the CFC rules) attributable to movements in exchange rate between the times of the related income inclusions and actual payments, and any such exchange gain or loss will be treated as ordinary income. A U.S. Holder will have a basis in Sterling distributed by the Issuer equal to the U.S. dollar value of the Sterling on the date it is received by the U.S.

Holder. Generally, any gain or loss resulting from exchange rate fluctuations during the period from the date a payment is received to the date such payment is converted into U.S. dollars will be treated as ordinary income or loss.

U.S. Holders of Class E Notes or Class X Notes that receive Sterling upon the sale, redemption or other disposition of the Class E Notes or the Class X Notes will realise an amount equal to the U.S. dollar value of the Sterling on the date of the sale, redemption or other disposition (or, if the related Class E Notes or Class X Notes are traded on the established securities market, in the case of a cash basis and electing accrual basis taxpayers, the settlement date). A U.S. Holder will have a tax basis in the Sterling received equal to such U.S. dollar amount realised. Any gain or loss realised by a U.S. Holder upon a subsequent disposition of Sterling (including upon an exchange for U.S. dollars) will be ordinary income or loss.

Tax Treatment of Tax-Exempt U.S. Holders

U.S. Holders which are tax-exempt entities (**Tax-Exempt U.S. Holders**) will not be subject to the tax on unrelated business taxable income (**UBTI**) with respect to interest and capital gains income derived from an investment in the Class A Notes, Class B Notes, Class C Notes or Class D Notes. However, a Tax-Exempt U.S. Holder that also acquires the Class E Notes or the Class X Notes (or, any other Class of Notes recharacterized as equity in the Issuer) should consider whether interest it receives in respect of the Class A Notes, Class B Notes, Class C Notes or Class D Notes may be treated as UBTI under rules governing certain payments received from controlled entities.

A Tax-Exempt U.S. Holder generally will not be subject to the tax on UBTI with respect to regular distributions or "excess distributions" (defined above under *Tax Treatment of U.S. Holders of Class E Notes and Class X Notes—Investment in a Passive Foreign Investment Company*) on the Class E Notes or the Class X Notes (or, any other Class of Notes recharacterized as equity in the Issuer). A Tax-Exempt U.S. Holder which is not subject to tax on UBTI with respect to "excess distributions" may not make a QEF election. In addition, a Tax-Exempt U.S. Holder which is subject to the rules relating to "controlled foreign corporations" with respect to the Class E Notes or the Class X Notes (or, any other Class of Notes recharacterized as equity in the Issuer) generally should not be subject to the tax on UBTI with respect to income from such Class E Notes or Class X Notes (or, any other Class of Notes recharacterized as equity in the Issuer).

Notwithstanding the discussion in the preceding two paragraphs, a Tax-Exempt U.S. Holder which incurs "acquisition indebtedness" (as defined in Section 514(c) of the Code) with respect to the Notes may be subject to the tax on UBTI with respect to income from the Notes to the extent that the Notes constitute "debt-financed property" (as defined in Section 514(b) of the Code) of the Tax-Exempt U.S. Holder. A Tax-Exempt U.S. Holder subject to the tax on UBTI with respect to income from the Class E Notes or the Class X Notes (or, any other Class of Notes recharacterized as equity in the Issuer) will be taxed on "excess distributions" in the manner discussed above under *Tax Treatment of U.S. Holders of Class E Notes and Class X Notes—Investment in a Passive Foreign Investment Company*. Such a Tax-Exempt U.S. Holder will be permitted, and should consider whether, to make a QEF election with respect to the Issuer as discussed above.

Tax-Exempt U.S. Holders should consult their own tax advisers regarding an investment in the Notes.

Transfer Reporting Requirements

A U.S. Holder of Class E Notes or Class X Notes (and any other Class of Notes recharacterized as equity in the Issuer) that owns (actually or constructively) at least 10% by vote or value of the Issuer (and each officer or director of the Issuer that is a U.S citizen or resident) may be required to file an information return on IRS Form 5471. A U.S. Holder of Class E Notes or Class X Notes (and any

other Class of Notes recharacterized as equity in the Issuer) generally is required to provide additional information regarding the Issuer annually on IRS Form 5471 if it owns (actually or constructively) more than 50% by vote or value of the Issuer. U.S. Holders should consult their own tax advisers regarding whether they are required to file IRS Form 5471.

A U.S. Person (including a Tax-Exempt U.S. Holder) that purchases the Class E Notes or the Class X Notes for cash will be required to file a Form 926 or similar form with the IRS if (i) such person owned, directly or by attribution, immediately after the transfer at least 10% by vote or value of the Issuer or (ii) if the transfer, when aggregated with all transfers made by such person (or any related person) within the preceding 12 month period, exceeds $100,000. **In the event a U.S. Holder fails to file any such required form, the U.S. Holder could be required to pay a penalty equal to 10% of the gross amount paid for such Class E Notes or Class X Notes (subject to a maximum penalty of $100,000, except in cases involving intentional disregard).** U.S. Persons should consult their tax advisers with respect to this or any other reporting requirement which may apply with respect to their acquisition of the Class E Notes or the Class X Notes.

Tax Return Disclosure and Investor List Requirements

Any person that files a U.S. federal income tax return or U.S. federal information return and participates in a "reportable transaction" in a taxable year is required to disclose certain information on IRS Form 8886 (or its successor form) attached to such person's U.S. tax return for such taxable year (and also file a copy of such form with the IRS's Office of Tax Shelter Analysis) and to retain certain documents related to the transaction. In addition, under certain circumstances, certain organizers and sellers and advisers of a "reportable transaction" are required to file reports with the IRS and also will be required to maintain lists of participants in the transaction containing identifying information, retain certain documents related to the transaction, and furnish those lists and documents to the IRS upon request. ***Recently enacted legislation imposes significant penalties for failure to comply with these disclosure and list keeping requirements. The definition of "reportable transaction" is highly technical. However, in very general terms, a transaction may be a "reportable transaction" if, among other things, it is offered under conditions of confidentiality or it results in the claiming of a loss or losses for U.S. federal income tax purposes in excess of certain threshold amounts.

In this regard, in order to prevent the investors' purchase of the Notes in this offering from being treated as offered under conditions of confidentiality, the Issuer and the holders and beneficial owners of the Notes (and each of their respective employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described herein (including the ownership and disposition of the Notes) and all materials of any kind (including opinions or other tax analyses) that are provided to them relating to such tax treatment and tax structure. For this purpose, the tax treatment of a transaction is the purported or claimed U.S. federal income or state and local tax treatment of the transaction, and the tax structure of a transaction is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of the transaction.

In addition, under these Treasury Regulations, if the Issuer participates in a "reportable transaction", a U.S. Holder of Class E Notes or Class X Notes that is a "reporting shareholder" of the Issuer will be treated as participating in the transaction and will be subject to the rules described above. Although most of the Issuer's activities generally are not expected to give rise to "reportable transactions", the Issuer nevertheless may participate in certain types of transactions that could be treated as "reportable transactions." A U.S. Holder of Class E Notes or Class X Notes will be treated as a "reporting shareholder" of the Issuer if (i) such U.S. Holder owns 10% or more of the Class E Notes and/or the Class X Notes and makes a QEF election with respect to the Issuer or (ii) the Issuer is treated as a CFC and such U.S. Holder is a "U.S. Shareholder" (as defined above) of the Issuer. The Issuer will make reasonable efforts to make such information available.

Prospective investors in the Notes should consult their own tax advisers concerning any possible disclosure obligations under these Treasury Regulations with respect to their ownership or disposition of the Notes in light of their particular circumstances.

Tax Treatment of Non-U.S. Holders of Notes

Subject to the backup withholding tax discussion below, assuming the Issuer is not engaged in a U.S. trade or business, a Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Notes and gain from the sale, exchange, redemption or other disposition of the Notes unless (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the United States; (ii) in the case of any gain realised by an individual Non-U.S. Holder, that Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale or other disposition and certain other conditions are met; or (iii) the Non-U.S. Holder is subject to tax pursuant to provisions of the Code applicable to certain expatriates. Non-U.S. Holders should consult their own tax advisers regarding the U.S. federal income tax considerations and other tax consequences of owning the Notes.

Information Reporting and Backup Withholding

Under certain circumstances, the Code requires "information reporting," and may require "backup withholding" with respect to certain payments made on the Notes and the payment of the proceeds from the disposition of the Notes. Backup withholding generally will not apply to corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. Backup withholding will apply to a U.S. Holder if the U.S. Holder fails to provide certain identifying information (such as the U.S. Holder's taxpayer identification number) or otherwise comply with the applicable requirements of the backup withholding rules. The application for exemption from backup withholding for a U.S. Holder is available by providing a properly completed IRS Form W-9.

A Non-U.S. Holder of the Notes generally will not be subject to these information reporting requirements or backup withholding with respect to payments of interest or distributions on the Notes if (1) it certifies to the Trustee its status as a Non-U.S. Holder under penalties of perjury on the appropriate IRS Form W-8, and (2) in the case of a Non-U.S. Holder that is a "nonwithholding foreign partnership," "foreign simple trust" or "foreign grantor trust" as defined in the applicable Treasury Regulations, the beneficial owners of such Non-U.S. Holder also certify to the Trustee their status as non-U.S. Persons under penalties of perjury on the appropriate IRS Form W-8 or as U.S. Persons under penalties of perjury on IRS Form W-9.

The payments of the proceeds from the disposition of a Note by a Non-U.S. Holder to or through the U.S. office of a broker generally will not be subject to information reporting and backup withholding if the Non-U.S. Holder certifies its status as a Non-U.S. Holder (and, if applicable, its beneficial owners also certify their status as Non-U.S. Holders) under penalties of perjury on the appropriate IRS Form W-8, satisfies certain documentary evidence requirements for establishing that it is a Non-U.S. Holder or otherwise establishes an exemption. The payment of the proceeds from the disposition of a Note by a Non-U.S. Holder to or through a non-U.S. office of a non-U.S. broker will not be subject to backup withholding or information reporting unless the non-U.S. broker has certain specific types of relationships to the United States, in which case the treatment of such payment for such purposes will be as described in the following sentence. The payment of proceeds from the disposition of a Note by a Non-U.S. Holder to or through a non-U.S. office of a U.S. broker or to or through a non-U.S. broker with certain specific types of relationships to the United States generally will not be subject to backup withholding but will be subject to information reporting unless the Non-U.S. Holder certifies its status as a Non-U.S. Holder (and, if applicable, its beneficial owners also certify their status as Non-U.S. Holders) under penalties of perjury or the broker has certain documentary evidence in its files as to the Non-U.S. Holder's foreign status and the broker has no actual knowledge to the contrary.

Backup withholding is not an additional tax and may be refunded (or credited against the U.S. Holder's or Non-U.S. Holder's U.S. federal income tax liability, if any); provided, that certain required information is furnished to the U.S. Internal Revenue Service. The information reporting requirements may apply regardless of whether withholding is required.

U.S. ERISA CONSIDERATIONS

The United States Employee Retirement Income Security Act of 1974, as amended (**ERISA**), imposes requirements on employee benefit plans (as defined in Section 3(3) of ERISA) subject to ERISA and on entities, such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (all of which are hereinafter referred to as **ERISA Plans**), and on persons who are fiduciaries (as defined in Section 3(21) of ERISA) with respect to such ERISA Plans. The Code also imposes certain requirements on ERISA Plans and on other retirement plans and arrangements, including individual retirement accounts and Keogh plans (such ERISA Plans and other "Plans" as defined in Section 4975 of the Code are hereinafter referred to as **Plans**). Certain employee benefit plans, including governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the prohibited transaction rules of ERISA or the Code but may be subject to similar rules under other applicable laws or documents. Accordingly, assets of such plans may be invested in the Notes without regard to the prohibited transaction considerations under ERISA and the Code described below, subject to the provisions of other applicable federal, state or non-U.S. law (**Similar Law**).

Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification, requirements respecting delegation of investment authority and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. Each ERISA Plan fiduciary, before deciding to invest in the Notes, must be satisfied that investment in the Notes is a prudent investment for the ERISA Plan, that the investments of the ERISA Plan, including the investment in the Notes, are diversified so as to minimise the risk of large losses and that an investment in the Notes complies with the ERISA Plan and related trust documents.

Section 406 of ERISA and/or Section 4975 of the Code prohibits Plans from engaging in certain transactions with persons that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to such Plans (collectively, **Parties in Interest**). The types of transactions between Plans and Parties in Interest that are prohibited include: (a) sales, exchanges or leases of property, (b) loans or other extensions of credit and (c) the furnishing of goods and services. Certain Parties in Interest that participate in a non-exempt prohibited transaction may be subject to an excise tax under ERISA or the Code. In addition, the persons involved in the prohibited transaction may have to rescind the transaction and pay an amount to the Plan for any losses realised by the Plan or profits realised by such persons and certain other liabilities could result that have a significant adverse effect on such persons.

Certain transactions involving the purchase, holding or transfer of the Notes might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Issuer were deemed to be assets of a Plan. Under regulations issued by the United States Department of Labor, set forth in 29 C.F.R. § 2510.3-101 as modified by ERISA (the **Plan Asset Regulations**), the assets of the Issuer would be treated as plan assets of a Plan for the purposes of ERISA and Section 4975 of the Code only if the Plan acquires an equity interest in the Issuer and none of the exceptions contained in the Plan Asset Regulations is applicable. An equity interest is defined under the Plan Asset Regulations as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is no authority directly on point, it is anticipated that the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes should be treated as indebtedness under local law without any substantial equity features for purposes of the Plan Asset Regulations. By contrast, the Class E and Class X Notes may be treated as "equity interests" for purposes of the Plan Asset Regulations. Accordingly, the Class E and Class X Notes may not be purchased by or transferred to (i) a Plan that is subject to

the provisions of ERISA or Section 4975 of the Code or (ii) an entity whose underlying assets include plan assets by reason of any Plan's investment in the entity under the Plan Asset Regulations ((i) and (ii) are hereinafter referred to as **Benefit Plan Investors**).

However, without regard to whether the Class A Notes, the Class B, the Class C Notes and the Class D Notes are treated as an equity or debt interest for such purposes, the acquisition or holding of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes by or on behalf of a Plan could be considered to give rise to a prohibited transaction under ERISA or Section 4975 of the Code if the Issuer, the Seller, the Lead Manager, the Trustee or any of their respective affiliates is or becomes a Party in Interest with respect to such Plan. However, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the fiduciary making the decision to acquire the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes. Included among these exemptions are Prohibited Transaction Class Exemption (**PTCE**) 84-14, which exempts certain transactions effected on behalf of a Plan by a "qualified professional asset manager", PTCE 96-23, which exempts certain transactions effected on behalf of a Plan by an "in-house asset manager", PTCE 90-1, which exempts certain transactions between insurance company separate accounts and Parties in Interest, PTCE 91-38, which exempts certain transactions between bank collective investment funds and Parties in Interest and PTCE 95-60, which exempts certain transactions between insurance company general accounts and Parties in Interest (collectively, the **Exemptions**). Even if the conditions specified in one or more of the Exemptions are met, the scope of the relief provided by the Exemptions might or might not cover all acts which might be construed as prohibited transactions.

Nevertheless, even if an Exemption applies, a Plan generally should not purchase the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes if the Issuer, the Arranger, the Seller, the Lead Manager, the Master Servicer, the Special Servicer, the Paying Agents, the Cash Manager, the Agent Bank, the Trustee, the Share Trustee, the Share Nominee, the Registrar, the Interest Rate Swap Provider, the Account Bank, the Liquidity Facility Provider, the Corporate Services Provider, or any of their respective affiliates either (a) has investment discretion with respect to the investment of assets of the Plan used to purchase the Notes; (b) has authority or responsibility to give or regularly gives investment advice with respect to assets of the Plan, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such assets and that such advice will be based on the particular investment needs of such Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA with respect to the Plan and any such purchase might result in a "prohibited transaction" under ERISA or the Code. In order to lessen the likelihood of such prohibited transaction, each investing Plan, by purchasing one or more of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be deemed to have (i) approved the subscription or purchase of the Issuer Assets; (ii) approved the terms of the Originated Assets, (iii) approved the terms of all ancillary agreements and transactions contemplated under such agreements (including the Originated Asset Sale Agreements, Loan Agreements, Swap Transactions, Liquidity Facility Agreement and Issuer Security Trust Agreement); and (iv) appointed all related parties to the Originator and the Issuer.

An insurance company proposing to invest assets of its general account in the Notes should consider the extent to which such investment would be subject to ERISA and Section 4975 of the Code. On 5th January, 2000, the United States Department of Labor issued a final regulation which provides guidance for determining, in cases where insurance policies supported by an insurer's general account are issued to or for the benefit of a Plan on or before 31st December, 1998, which general account assets are plan assets. That regulation generally provides that, if certain specified requirements are satisfied with respect to insurance policies issued on or before 31st December, 1998, the assets of an insurance company general account will not be plan assets. Nevertheless, certain assets of an insurance company general account may be considered to be plan assets. Therefore, if an insurance

company acquires Notes using assets of its general account, certain of the insurance company's assets may be plan assets and the provisions of ERISA and Section 4975 of the Code could apply to such acquisition and the subsequent holding of the Notes. An insurance company using assets of its general account may not acquire the Class E Notes if any of such general account assets are considered to be plan assets.

The sale of any Class A Notes, Class B Notes, Class C Notes or Class D Notes to a Plan is in no respect a representation by the Issuer, the Originator, the Manager or the Trustee that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Each purchaser of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be deemed to have represented and agreed that (i) either it is not purchasing such Notes with the assets of any Benefit Plan Investor or that one of more exemptions applies such that the use of such assets will not constitute a prohibited transaction under ERISA, the Code or any Similar Law, and (ii) with respect to transfers, it will either not transfer such Notes to a transferee purchasing such Notes with the assets of any Benefit Plan Investor, or one or more exemptions applies such that the acquisition and holding of an interest in such Notes by the transferee will not constitute a non-exempt prohibited transaction. The Class E and Class X Notes may not be purchased by or transferred to a Benefit Plan Investor. Any Plan fiduciary that proposes to cause a Plan to purchase such instruments should consult with its counsel with respect to the potential applicability of ERISA, the Code or any Similar Law to such investment and whether any exemption or exemptions have been satisfied.

SUBSCRIPTION AND SALE

Barclays Bank PLC of 5 The North Colonnade, Canary Wharf, London E14 4BB (the **Lead Manager**), Danske Bank A/S of 75 King William Street, London EC4N 7DT and Banco Pastor A.S. of Paseo de Recoletos, 19 28004 Madrid (each a **Co-Manager** and, together with the Lead Manager, the **Managers**) has agreed, pursuant to a subscription agreement dated on or about 4 April 2007 (the **Subscription Agreement**), made between, among others, the Managers and the Issuer to subscribe and pay for the (i) Class A Notes at 100 per cent. of the initial principal amount of such Notes, (ii) (in the case of the Lead Manager only) the Class X Notes at 100 per cent. of the initial principal amount of such Notes, (iii) the Class B Notes at 100 per cent. of the initial principal amount of such Notes, (iv) the Class C Notes at 100 per cent. of the initial principal amount of such Notes, (v) the Class D Notes at 100 per cent. of the initial principal amount of such Notes and (vi) the Class E Notes at 100 per cent. of the initial principal amount of such Notes subject to certain conditions.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Managers in certain circumstances prior to payment to the Issuer. The Issuer has agreed to indemnify each of the Managers against certain liabilities in connection with the offer and sale of the Notes.

United States of America

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other relevant jurisdiction and may not be offered, sold or delivered in the United States to, or for the account or benefit of, U.S. Persons except in transactions exempt from the registration requirements of the Securities Act. The Issuer has not registered and does not intend to register as an investment company under the Investment Company Act.

The Subscription Agreement provides that the Managers may resell the Rule 144A Notes in the United States to a limited number of Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act. Each investor in the Rule 144A Notes taking delivery in the form of an interest in a Rule 144A Global Note will be deemed to represent and warrant, among other things, that it and each of the accounts, if any, for which it is purchasing an interest in a Rule 144A Global Note is both a Qualified Institutional Buyer and a Qualified Purchaser and (A) is not a broker-dealer that owns and invests on a discretionary basis less than $25,000,000 in securities of issuers that are not affiliated persons of such broker-dealer; (B) is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan; (C) is not a corporation, partnership, common trust fund, special trust, pension fund, retirement plan or other entity in which the shareholders, partners, beneficiaries, beneficial owners or participants, as the case may be, may designate the particular investments to be made by such entity or the allocation of any such investment; (D) is not an entity that was formed, reformed or recapitalised for the specific purpose of investing in beneficial interests in the Notes and/or in other securities of the Issuer, unless all of the beneficial owners of such entity's securities are both Qualified Purchasers and Qualified Institutional Buyers; (E) is not an investment company that relies on the exclusion from the definition of "investment company" provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act and that was formed prior to 30 April 1996, unless such entity has received the consent of its beneficial owners with respect to the treatment of such entity as a Qualified Purchaser in the manner required by Section 2(a)(51)(c) of the Investment Company Act and the rules and regulations thereunder; and (F) is not an entity that, immediately subsequent to its purchase or other acquisition of a beneficial interest in the Rule 144A Notes, will have invested more than 40 per cent. of its assets in beneficial interests in the Notes and/or in other securities of the Issuer (unless all of the beneficial owners of such entity's securities are both Qualified Purchasers and Qualified Institutional Buyers).

Each investor and each account for which it is purchasing the Notes will hold and transfer at least the minimum denomination of the Notes. The Issuer has the right to require any investor in the Rule 144A Notes who is a U.S. Person and who is determined not to be both a Qualified Institutional Buyer and a Qualified Purchaser to (A) sell the Rule 144A Notes (or an interest in the Notes) to a person who is both a Qualified Institutional Buyer and a Qualified Purchaser or (B) redeem the Rule 144A Notes held by such an investor. Terms used in this paragraph and not defined herein have the meaning given to them by Regulation S. The Notes are not transferable except in accordance with the restrictions described herein under *Transfer Restrictions*.

In addition, an offer or sale of the Notes within the United States by a manager or placement agent that is not participating in the offering may violate the registration requirements of the Securities Act. Any offer or sale of the Rule 144A Notes will be made by broker-dealers, including affiliates of the Managers, who are registered as broker-dealers under the Exchange Act. The Managers may allow a concession, not in excess of the selling concession, to certain brokers or dealers.

Each of the Managers has represented and agreed with the Issuer that within the United States each will sell the Rule 144A Notes only to persons (including other dealers) who are both Qualified Institutional Buyers and Qualified Purchasers in the form of an interest in a Rule 144A Global Note. In addition, the Issuer has represented and agreed with the Managers that, based on discussions with the Managers and other factors that the Issuer or their counsel may deem appropriate, the Issuer has a reasonable belief that initial sales and subsequent transfers of the Notes held through Euroclear and Clearstream, Luxembourg to U.S. Persons will be limited to persons who are both Qualified Institutional Buyers and Qualified Purchasers.

Each of the Managers has agreed that, in connection with each sale to a Qualified Institutional Buyer that is also a Qualified Purchaser, it has taken or will take reasonable steps to ensure that the purchaser is aware that the Notes have not been and will not be registered under the Securities Act and that transfers of the Notes are restricted as set forth in the Notes and the Trust Deed.

The Issuer and the Managers will extend to each prospective investor the opportunity, prior to the consummation of the sale of the Notes, to ask questions of, and receive answers from, the Issuer concerning the Notes and the terms and conditions of this offering and to obtain any additional information the prospective investor may consider necessary in making an informed investment decision and any information in order to verify the accuracy of the information set forth herein, to the extent the Issuer and/or the Managers, as applicable, possesses the same. Requests for such additional information may be directed to the directors of the Issuer.

Each investor in the Rule 144A Notes understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories.

Each of the Managers has represented and agreed with the Issuer that the Reg S Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or any state securities laws, and may not be offered or sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. Each of the Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Reg S 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 close of the offering (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 Reg S Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Reg S 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 under 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 close of the offering, 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.

United Kingdom

Each of the Managers has represented and agreed that:

(a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (**FSMA**), with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; 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 Managers has represented and agreed that:

(a) in respect of a local offer (within the meaning of section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland) of Notes in Ireland, it has complied and will comply with section 49 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland;

(b) 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 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 or extended), it has complied with any codes of conduct made under the Investment Intermediaries Acts 1995 to 2000, of Ireland (as amended) and, in the case of the Lead Manager 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 or extended), 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); and

(c) in connection with offers or sales of Notes, it has only issued or passed on, and it will only issue or pass on, in Ireland or elsewhere, any document received by it in connection with the issue of the Notes to persons who are persons to whom the document may otherwise lawfully be issued or passed on.

General

Other than the approval by the IFSRA of this document as a prospectus in accordance with the requirements of the Prospectus Directive and relevant implementing measures in Ireland, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Prospectus or any other material relating to the Issuer

or the Notes in any jurisdiction where action for that purpose is required. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each of the Managers has undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

The Securities have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other relevant jurisdiction, and the Issuer is not registered and will not register as an investment company under the Investment Company Act. Accordingly, the Notes may not be re-offered, resold, pledged or otherwise transferred except in accordance with the restrictions described below.

Each purchaser of an interest in the Notes (each initial purchaser of Notes, together with each subsequent transferee of Notes, is referred to herein as the **Purchaser**) will be deemed to have acknowledged, represented and agreed as follows (terms used in this section that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(a) Purchaser Requirements. The Purchaser (i) in the case of Rule 144A Notes (A) is both a Qualified Institutional Buyer and a Qualified Purchaser, (B) is an Eligible Investor (as defined below), (C) will provide notice of applicable transfer restrictions to any subsequent transferee, (D) if a Plan or Plan Asset Entity (as defined below) is purchasing the Class A Notes, Class B Notes, Class C Notes or the Class D Notes pursuant to one or more prohibited transaction exemptions issued by the U.S. Department of Labor, (E) in the case of the Class E Notes, is not a Plan or Plan Asset Entity and (F) is purchasing for its own account or for the accounts of one or more other persons each of whom meets all of the requirements of clauses (A) through (F), or (ii) in the case of Reg S Notes, (A) the Purchaser is not a U.S. Person, (B) is acquiring the Notes pursuant to Rule 903 or 904 of Regulation S, (C) if a Plan or Plan Asset Entity, is purchasing the Class A Notes, Class B Notes, Class C Notes or Class D Notes pursuant to one or more prohibited transaction exemptions issued by the U.S. Department of Labor, and (D) in the case of the Class E Notes, is not a Plan or Plan Asset Entity.

Eligible Investors are defined for the purposes hereof as persons who are Qualified Institutional Buyers acting for their own account or for the account of other Qualified Institutional Buyers and excludes therefrom:

(i) broker-dealers that own and invest on a discretionary basis less than $25 million in "securities" as such term is used in Rule 144A;

(ii) a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan;

(iii) a corporation, partnership, common trust fund, special trust, pension fund, retirement plan or other entity in which the shareholders, partners, beneficiaries, beneficial owners or participants, as the case may be, may designate the particular investments to be made, or the allocation thereof;

(iv) an entity that was formed, reformed or recapitalised for the specific purpose of investing in the Notes, unless all of the beneficial owners of such entity's securities are both Qualified Purchasers and Qualified Institutional Buyers;

(v) any investment company excepted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof and formed prior to 30 April 1996, that has not received the consent of its beneficial owners with respect to the treatment of such entity as a Qualified Purchaser in the manner required by Section 2(a)(51)(C) of the Investment Company Act and rules thereunder; and

(vi) any entity that will have invested more than 40 per cent. of its assets in the securities of the Issuer subsequent to any purchase of the Notes.

The Purchaser acknowledges that each of the Issuer and the Trustee reserve the right prior to any sale or other transfer to require the delivery of such certifications, legal opinions and other information as the Issuer or the Trustee may reasonably require to confirm that the proposed sale or other transfer complies with the foregoing restrictions. The Purchaser understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories.

(b) Notice of Transfer Restrictions. Each Purchaser acknowledges and agrees that (1) the Notes have not been and will not be registered under the Securities Act and the Issuer has not been registered and will not register as an "investment company" under the Investment Company Act, (2) neither the Notes nor any beneficial interest therein may be re-offered, resold, pledged or otherwise transferred except in accordance with the provisions set forth above and (3) the Purchaser will notify any transferee of such transfer restrictions and that each subsequent holder will be required to notify any subsequent transferee of such Notes of such transfer restrictions.

(c) Legends on Rule 144A Global Note. Each Purchaser acknowledges that each Rule 144A Global Note will bear a legend substantially to the effect set forth below and that the Issuer has covenanted in the Trust Deed not to remove such legend.

NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR ARE EXPECTED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, AND THE ISSUER (AS DEFINED IN THE TRUST DEED) HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**), IN RELIANCE ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, AS IT HAS BEEN DETERMINED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION STAFF TO APPLY IN THE CONTEXT OF SECTION 7(d) OF THE INVESTMENT COMPANY ACT.

BY PURCHASING OR OTHERWISE ACQUIRING A BENEFICIAL INTEREST IN THIS NOTE, EACH OWNER OF SUCH BENEFICIAL INTEREST WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND ANY AGENT OR SELLER WITH RESPECT TO THE NOTES THAT IT (I)(A) IS BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER, (B) IS AN "ELIGIBLE INVESTOR" (AS DEFINED BELOW), (C) WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE, (D) IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL THE PRECEDING REQUIREMENTS AND (E) AGREES THAT IT WILL NOT RE-OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE NOTES OR ANY BENEFICIAL INTEREST

HEREIN TO ANY PERSON EXCEPT TO A PERSON THAT MEETS ALL THE PRECEDING REQUIREMENTS AND AGREES NOT TO SUBSEQUENTLY TRANSFER THE NOTES OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN ACCORDANCE WITH THIS **CLAUSE (C)** OR (II) IS NOT A U.S. PERSON AND IS ACQUIRING A BENEFICIAL INTEREST IN THE NOTES PURSUANT TO RULE 903 OR 904 OF REGULATION S. IN THE CASE OF ANY TRANSFER PURSUANT TO **CLAUSE (II)**, THE TRANSFEREE WILL BE REQUIRED TO HAVE THE INTEREST SO TRANSFERRED BE REPRESENTED BY AN INTEREST IN THE REG S GLOBAL NOTE (AS DEFINED IN THE TRUST DEED).

ELIGIBLE INVESTORS ARE DEFINED FOR THE PURPOSES HEREOF AS PERSONS WHO ARE QUALIFIED INSTITUTIONAL BUYERS ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF OTHER QUALIFIED INSTITUTIONAL BUYERS AND EXCLUDES THEREFROM: (I) BROKER-DEALERS THAT OWN AND INVEST ON A DISCRETIONARY BASIS LESS THAN $25 MILLION IN "SECURITIES" AS SUCH TERM IS USED IN RULE 144A, (II) A PLAN REFERRED TO IN PARAGRAPH (A)(1)(I)(D) OR (A)(1)(I)(E) OF RULE 144A; OR A TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(I)(F) OF RULE 144A THAT HOLDS THE ASSET OF SUCH PLAN, UNLESS THE INVESTMENT DECISIONS WITH RESPECT TO SUCH PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (III) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND, RETIREMENT PLAN OR OTHER ENTITY IN WHICH THE SHAREHOLDERS, PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS THE CASE MAY BE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE OR THE ALLOCATION THEREOF, (IV) AN ENTITY THAT WAS FORMED, REFORMED OR RECAPITALISED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE NOTES, UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE BOTH QUALIFIED PURCHASERS AND QUALIFIED INSTITUTIONAL BUYERS, (V) ANY INVESTMENT COMPANY EXCEPTED FROM THE INVESTMENT COMPANY ACT PURSUANT TO SECTION 3(C)(1) OR SECTION 3(C)(7) THEREOF AND FORMED PRIOR TO 30 APRIL 1996, THAT HAS NOT RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS WITH RESPECT TO THE TREATMENT OF SUCH ENTITY AS A QUALIFIED PURCHASER IN THE MANNER REQUIRED BY SECTION 2(A)(51)(C) OF THE INVESTMENT COMPANY ACT AND RULES THEREUNDER AND (VI) ANY ENTITY THAT WILL HAVE INVESTED MORE THAN 40 PER CENT. OF ITS ASSETS IN THE SECURITIES OF THE ISSUER SUBSEQUENT TO ANY PURCHASE OF THE NOTES.

THE PURCHASER ACKNOWLEDGES THAT EACH OF THE ISSUER AND THE TRUSTEE RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER OR THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THIS GLOBAL NOTE ACKNOWLEDGES THAT (I) THE ISSUER OR A PERSON ACTING ON BEHALF OF THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN THE ISSUER'S SECURITIES FROM THE EUROCLEAR BANK S.A./N.V. (**EUROCLEAR**)), AND CLEARSTREAM BANKING, SOCIÉTÉ ANONYME (**CLEARSTREAM, LUXEMBOURG**)) OR ANY OTHER DEPOSITARY HOLDING BENEFICIAL INTERESTS IN THE NOTES AND (II) IN THE EVENT THAT AT ANY TIME THE ISSUER DETERMINES OR IS NOTIFIED BY A PERSON ACTING ON BEHALF OF THE ISSUER THAT SUCH PURCHASER WAS IN BREACH, AT THE TIME GIVEN OR DEEMED TO BE GIVEN, OF ANY OF

THE REPRESENTATIONS OR AGREEMENTS SET FORTH IN THIS LEGEND OR OTHERWISE DETERMINES THAT ANY TRANSFER OR OTHER DISPOSITION OF ANY NOTES WOULD, IN THE SOLE DETERMINATION OF THE ISSUER OR A PERSON ACTING ON ITS BEHALF, REQUIRE THE ISSUER TO REGISTER AS AN **INVESTMENT COMPANY** UNDER THE PROVISIONS OF THE INVESTMENT COMPANY ACT, SUCH PURCHASE OR OTHER TRANSFER WILL BE VOID AB INITIO AND WILL NOT BE HONOURED BY THE TRUSTEE. ACCORDINGLY, ANY SUCH PURPORTED TRANSFEREE OR OTHER HOLDER WILL NOT BE ENTITLED TO ANY RIGHTS AS A NOTEHOLDER AND THE ISSUER SHALL HAVE THE RIGHT, IN ACCORDANCE WITH THE CONDITIONS OF THE NOTES, TO FORCE THE TRANSFER OF, OR SELL, ANY SUCH NOTES.

(d) EACH HOLDER AND EACH BENEFICIAL OWNER OF A CLASS A NOTE, CLASS B NOTE, CLASS C NOTE OR CLASS D NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH CLASS A NOTE, CLASS B NOTE, CLASS C NOTE CLASS D NOTE AS DEBT OF THE ISSUER FOR UNITED STATES FEDERAL INCOME TAX PURPOSES.

EACH HOLDER AND EACH BENEFICIAL OWNER OF A CLASS E NOTE OR A CLASS X NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH CLASS E OR CLASS X NOTE AS EQUITY OF THE ISSUER FOR UNITED STATES FEDERAL INCOME TAX PURPOSES.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, AN INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE OR AN APPLICABLE INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS NOTE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*]:

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUED DISCOUNT ("OID") FOR U.S. FEDERAL INCOME TAX PURPOSES. INFORMATION RELATING TO THE ISSUE PRICE OF THE NOTE, THE AMOUNT OF OID ON THE NOTE, ITS CLOSING DATE AND THE YIELD TO MATURITY OF THE NOTE MAY BE OBTAINED FROM [[NAME or TITLE of CONTACT PERSON] AT THE FOLLOWING [PHONE NUMBER or ADDRESS]].

EACH PURCHASER OF THIS NOTE OR ANY INTEREST THEREIN, BY ITS ACQUISITION OF SUCH NOTE, REPRESENTS AND WARRANTS THAT (A) EITHER (1) IT IS NOT A BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), WHICH IS SUBJECT THERETO, OR ANY PLAN AS DEFINED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), WHICH IS SUBJECT THERETO (COLLECTIVELY,

PLANS), AN ENTITY USING THE ASSETS OR ACTING ON BEHALF OF SUCH A PLAN, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE PLAN ASSETS OF ANY SUCH PLAN (A **PLAN ASSET ENTITY**) OR A GOVERNMENTAL, CHURCH OR NON-US PLAN SUBJECT TO LAWS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY PROVISIONS OF ERISA AND SECTION 4975 OF THE CODE (**SIMILAR LAW**) OR (2) THE PURCHASER IS ACQUIRING CLASS A NOTES, CLASS B NOTES, CLASS C NOTES OR CLASS D NOTES AND THE ACQUISITION AND HOLDING OF SUCH NOTES IS EXEMPT PURSUANT TO ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION EXEMPTIONS ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR (**DOL**): PROHIBITED TRANSACTION CLASS EXEMPTION (**PTCE**) 96-23 (RELATING TO CERTAIN TRANSACTIONS EFFECTED BY **IN-HOUSE ASSET MANAGERS**), PTCE 95-60 (RELATING TO CERTAIN TRANSACTIONS INVOLVING INSURANCE COMPANY GENERAL ACCOUNTS), PTCE 91-38 (RELATING TO CERTAIN TRANSACTIONS INVOLVING BANK COLLECTIVE INVESTMENT FUNDS), PTCE 90-1 (RELATING TO CERTAIN TRANSACTIONS INVOLVING INSURANCE COMPANY POOLED SEPARATE ACCOUNTS) OR PTCE 84-14 (RELATING TO CERTAIN TRANSACTIONS EFFECTED BY INDEPENDENT **QUALIFIED PROFESSIONAL ASSET MANAGERS**) OR ANY OTHER PROHIBITED TRANSACTION EXEMPTION ISSUED BY THE DOL OR ARISING UNDER ANY SIMILAR LAW WITH RESPECT TO GOVERNMENTAL, CHURCH AND NON-US PLANS, AND (B) THAT THE PURCHASER WILL NOT TRANSFER ANY NOTES OR INTEREST THEREIN TO A PLAN OR PLAN ASSET ENTITY UNLESS THE NOTES THAT ARE THE SUBJECT OF THE TRANSFER ARE NOT CLASS E OR CLASS X NOTES AND THE ACQUISITION AND HOLDING OF AN INTEREST IN SUCH NOTES BY THE TRANSFEREE IS NOT PROHIBITED BY EITHER SECTION 406 OR ERISA OR SECTION 4975 OF THE CODE. ANY ATTEMPTED TRANSFER OF SUCH NOTES OR ANY INTEREST THEREIN IN VIOLATION OF SUCH REPRESENTATION AND WARRANTY SHALL BE VOID AB INITIO.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. TERMS WHICH ARE USED IN THIS LEGEND HAVE THE MEANINGS GIVEN TO THEM UNDER SUCH RULE.

THIS LEGEND MAY NOT BE REMOVED.

(e) Rule 144A Information. Each Purchaser of Notes offered and sold in the United States under Rule 144A is hereby notified that the offer and sale of such Notes to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. The Issuer has agreed to furnish to investors upon request such information as may be required by Rule 144A.

(f) Legends on Reg S Global Note. Each Purchaser acknowledges that each Reg S Global Note will bear a legend substantially to the effect set forth below and that the Issuer has covenanted in the Trust Deed not to remove such legend.

NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR ARE EXPECTED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, AND THE ISSUER (AS DEFINED IN THE TRUST DEED) HAS NOT REGISTERED

AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**), IN RELIANCE ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, AS IT HAS BEEN DETERMINED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION STAFF TO APPLY IN THE CONTEXT OF SECTION 7(d) OF THE INVESTMENT COMPANY ACT.

(g) EACH HOLDER AND EACH BENEFICIAL OWNER OF A CLASS A NOTE, CLASS B NOTE, CLASS C NOTE OR CLASS D NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH CLASS A NOTE, CLASS B NOTE, CLASS C NOTE CLASS D NOTE AS DEBT OF THE ISSUER FOR UNITED STATES FEDERAL INCOME TAX PURPOSES.

EACH HOLDER AND EACH BENEFICIAL OWNER OF A CLASS E NOTE OR A CLASS X NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH CLASS E OR CLASS X NOTE AS EQUITY OF THE ISSUER FOR UNITED STATES FEDERAL INCOME TAX PURPOSES.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, AN INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE OR AN APPLICABLE INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS NOTE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*]:

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUED DISCOUNT ("OID") FOR U.S. FEDERAL INCOME TAX PURPOSES. INFORMATION RELATING TO THE ISSUE PRICE OF THE NOTE, THE AMOUNT OF OID ON THE NOTE, ITS CLOSING DATE AND THE YIELD TO MATURITY OF THE NOTE MAY BE OBTAINED FROM [[NAME or TITLE of CONTACT PERSON] AT THE FOLLOWING [PHONE NUMBER or ADDRESS]].

BY PURCHASING OR OTHERWISE ACQUIRING ANY BENEFICIAL INTEREST IN THIS NOTE, EACH OWNER OF SUCH BENEFICIAL INTEREST WILL BE DEEMED TO HAVE AGREED FOR THE BENEFIT OF THE ISSUER THAT IF IT SHOULD DECIDE TO DISPOSE OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE PRIOR TO THE TERMINATION OF THE DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), BENEFICIAL INTERESTS IN THIS GLOBAL NOTE MAY BE OFFERED, RESOLD OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE ISSUER TO REGISTER AS AN **INVESTMENT COMPANY** UNDER THE INVESTMENT COMPANY ACT. ACCORDINGLY, BENEFICIAL INTERESTS IN THIS NOTE MAY BE OFFERED OR

SOLD PRIOR TO THE TERMINATION OF THE DISTRIBUTION COMPLIANCE PERIOD, ONLY OUTSIDE THE UNITED STATES OF AMERICA TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT.

EACH PURCHASER OF THIS NOTE OR ANY INTEREST THEREIN, BY ITS ACQUISITION OF SUCH NOTE, REPRESENTS AND WARRANTS THAT (A) EITHER (1) IT IS NOT A BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), WHICH IS SUBJECT THERETO, OR ANY PLAN AS DEFINED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), WHICH IS SUBJECT THERETO (COLLECTIVELY, **PLANS**), AN ENTITY USING THE ASSETS OR ACTING ON BEHALF OF SUCH A PLAN, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE PLAN ASSETS OF ANY SUCH PLAN (A **PLAN ASSET ENTITY**) OR A GOVERNMENTAL, CHURCH OR NON-US PLAN SUBJECT TO LAWS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY PROVISIONS OF ERISA AND SECTION 4775 OF THE CODE (**SIMILAR LAW**) OR (2) THE PURCHASER IS ACQUIRING CLASS A NOTES, CLASS B NOTES, CLASS C NOTES OR CLASS D NOTES AND THE ACQUISITION AND HOLDING OF SUCH NOTES IS EXEMPT PURSUANT TO ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION EXEMPTIONS ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR (**DOL**): PROHIBITED TRANSACTION CLASS EXEMPTION (**PTCE**) 96-23 (RELATING TO CERTAIN TRANSACTIONS EFFECTED BY **IN-HOUSE ASSET MANAGERS**), PTCE 95-60 (RELATING TO CERTAIN TRANSACTIONS INVOLVING INSURANCE COMPANY GENERAL ACCOUNTS), PTCE 91-38 (RELATING TO CERTAIN TRANSACTIONS INVOLVING BANK COLLECTIVE INVESTMENT FUNDS), PTCE 90-1 (RELATING TO CERTAIN TRANSACTIONS INVOLVING INSURANCE COMPANY POOLED SEPARATE ACCOUNTS) OR PTCE 84-14 (RELATING TO CERTAIN TRANSACTIONS EFFECTED BY INDEPENDENT **QUALIFIED PROFESSIONAL ASSET MANAGERS**) OR ANY OTHER PROHIBITED TRANSACTION EXEMPTION ISSUED BY THE DOL OR ARISING UNDER ANY SIMILAR LAW WITH RESPECT TO GOVERNMENTAL, CHURCH AND NON-US PLANS, AND (B) THAT THE PURCHASER WILL NOT TRANSFER ANY NOTES OR INTEREST THEREIN TO A PLAN OR PLAN ASSET ENTITY UNLESS THE NOTES THAT ARE THE SUBJECT OF THE TRANSFER ARE NOT CLASS E OR CLASS X NOTES AND THE ACQUISITION AND HOLDING OF AN INTEREST IN SUCH NOTES BY THE TRANSFEREE IS NOT PROHIBITED BY EITHER SECTION 406 OR ERISA OR SECTION 4975 OF THE CODE. ANY ATTEMPTED TRANSFER OF SUCH NOTE OR ANY INTEREST THEREIN IN VIOLATION OF SUCH REPRESENTATION AND WARRANTY SHALL BE VOID AB INITIO.

THIS LEGEND MAY NOT BE REMOVED.

(h) Mandatory Transfer. Each Purchaser acknowledges and agrees that in the event that at any time the Issuer determines (or is notified by a person acting on behalf of the Issuer) that such Purchaser was in breach, at the time given or deemed to be given, of any of the representations or agreements set forth above or otherwise determines that any transfer or other disposition of any Notes would, in the sole determination of the Issuer or the Trustee acting on behalf of the Issuer, require the Issuer to register as an "investment company" under the provisions of the Investment Company Act, such purchase or other transfer will be void *ab initio* and will not be honoured by the Trustee. Accordingly, any such purported transferee

or other holder will not be entitled to any rights as a Noteholder and the Issuer shall have the right to force the transfer of, or sell, any such Notes.

(i) Regulation S Transfers during the Distribution Compliance Period. The purchaser of a Reg S Global Note understands that prior to the first Business Day following the expiration of the Distribution Compliance Period, any resale or transfer of beneficial interests in a Reg S Global Note to U.S. Persons (as defined in Regulation S) is not permitted.

GENERAL INFORMATION

1. The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on or about 4 April 2007.

2. It is expected that listing of the Notes on the Official List of the Irish Stock Exchange will be granted on or about 12 April 2007, subject only to the issue of the Global Notes. The listing 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 applications for admission to the Official List and admission to trading on the Irish Stock Exchange's market for listed securities is €5,500.

3. On 21 March 2007 the Issuer was granted a certificate under section 117(1) of the Companies Act 1985 entitling it to do business and to borrow.

4. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

	Common Code (Reg S Notes)	Common Code (Rule 144A Notes)	ISIN (Reg S Notes)	ISIN (Rule 144A Notes)
Class A Notes	29475644	29475806	XS0294756449	XS0294758064
Class X Notes	29475687	29475849	XS0294756878	XS0294758494
Class B Notes	29475717	29475865	XS0294757173	XS0294758650
Class C Notes	29475725	29475911	XS0294757256	XS0294759112
Class D Notes	29475750	29475920	XS0294757504	XS0294759203
Class E Notes	29475768	29475954	XS0294757686	XS0294759542

5. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. So long as the Notes are listed on the Official List of the Irish Stock Exchange, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Irish Paying Agent in Dublin. The Issuer does not publish interim accounts.

6. Save as disclosed herein, the Issuer is not, and has not been, involved in any legal, governmental 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.

7. The Issuer has not entered into any material contracts or arrangements, other than those disclosed in this Prospectus, since the date of its incorporation.

8. Save as disclosed in this Prospectus, since 17 January 2007 (being the date of incorporation of the Issuer), the Issuer has not commenced operations, no accounts of the Issuer have been made up and there has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the trading or financial position of the Issuer.

9. Each of the Issuer Deed of Charge and the Trust Deed will provide that the Trustee may rely on reports or other information from professional advisers or other experts in accordance with the provisions of the Issuer Deed of Charge and the Trust Deed, respectively, whether or not such report or other information, engagement letter or other document entered into by the Trustee and the relevant professional adviser or expert in connection therewith contains any limit on the liability of that relevant professional adviser or expert.

10. Copies of the following documents may be physically inspected during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the offices of Sidley Austin, at Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA and at the specified offices of the Irish Paying Agent in Dublin for so long as the Notes are listed on the Irish Stock Exchange from the date of this document:

    (a) the Memorandum and Articles of Association of the Issuer;

    (b) the constitutive documents of the Adelphi Borrower;

    (c) the audited financial statements of the Adelphi Borrower for the years ending 31 March 2006 and 31 March 2005;

    (d) the Subscription Agreement; and

    (e) drafts (subject to modification) of the following documents:

        (i) the Loan Sale Documents;

        (ii) the Trust Deed;

        (iii) the Issuer Deed of Charge;

        (iv) the Servicing Agreement;

        (v) the Cash Management Agreement;

        (vi) the Interest Rate Swap Agreement;

        (vii) the Bank Account Agreement;

        (viii) the Corporate Services Agreement;

        (ix) the Share Trust Deed;

        (x) the Liquidity Facility Agreement;

        (xi) the Agency Agreement;

        (xii) the Depositary Agreement; and

        (xiii) the Master Definitions Schedule.

11. The Cash Manager will, on behalf of the Issuer, provide or make available through its website (which is located at https://sfr.bankofny.com/SFR/Login.jsp[23]) to the Trustee, for the benefit of, among others, each Noteholder, a statement to Noteholders based upon information provided in the quarterly financial report by the Master Servicer and the Special Servicer in accordance with the Servicing Agreement and the Servicing Reports prepared by the Servicer pursuant to the Servicing Agreement and any disclosure information provided pursuant to the Issuer's disclosure information under the Market Abuse Directive.

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[23] The https://sfr.bankofny.com/SFR/Login.jsp website and the contents thereof do not form any part of this Prospectus.

GEFICA INDUSTRIES AG AUDITED FINANCIAL STATEMENTS YEAR ENDING 31 MARCH 2006

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of Gefica Industries AG for the year ended 31 March 2006.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the profession of Liechtenstein, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion:

In our opinion, except as explained in the following paragraph, the accounting records and financial statements comply with the law of Liechtenstein and the company's articles of incorporation. The balance sheet and profit and loss account are in agreement with the books of account.

The valuation of the freehold investment property of £223,308,100 as per 31 March 2006 is at cost and no depreciation is provided. Although the Open Market Value has been assessed at £197,000,000 by GVA Grimley, London in their valuation dated 16 February 2001, the directors consider that this accounting policy is appropriate for the company's activities.

We recommend that the financial statements, disclosing accumulated losses of £38,836,849 submitted to you be approved despite the above qualification as the expected return on investment of the freehold property is above 6%, which seems to be reasonable and is in line with commercial property yields in central London.

As the basic issued capital of CHF 50,000 (£18,904) is no longer covered by net assets, we herewith explicitly refer to the Persons and Companies Act (PGR Art. 182 e).

However, loan holders have subordinated their receivables (£32,793,650 – shown under *Liabilities related parties*), to the extent of the indebtedness (£32,673,088), to other creditors of the company (PGR Art. 182 f/2).

HORWATH REVISION AG

M. Haker
Certified Accountant Liechtenstein (Auditor in charge)

R. Schneeberger
Certified Accountant

GEFICA INDUSTRIES AG, VADUZ

Balance sheet
as at 31 March 2006 and 2005

	2005/06		2004/05	
	£	£	£	£
Fixed assets				
Purch. lease surrender agreement	0		7,255	
Freehold investment property	223,308,100	223,308,100	223,308,100	223,315,355
Current assets				
Trade debtors	1,639,413		1,579,414	
Cash at bank and in hand	547,781	2,187,194	526,516	2,105,930
Current liabilities				
Bank loans	(120,000,000)		(120,000,000)	
Liabilities related parties	(137,903,606)		(137,615,131)	
Other creditors	(264,776)	(258,168,382)	(367,037)	(257,982,168)
Total assets less current liabilities		**(32,673,088)**		**(32,560,883)**
Capital and reserves				
Called up share capital		18,904		18,904
Other reserves		6,144,857		6,144,857
Deficit brought forward	(38,724,644)		(35,282,421)	
Profit for the year	(112,205)	(38,836,849)	(3,442,223)	(38,724,644)
Total shareholders' funds – equity		**(32,673,088)**		**(32,560,883)**

GEFICA INDUSTRIES AG, VADUZ

Profit and loss account
for the year ended 31 March 2006 and 2005

		2005/06		2004/05
		£		£
Turnover		**13,757,054**		**11,044,176**
Other operating income		**338,245**		**0**
Depreciation	(7,255)		(174,780)	
Legal and professional fees	(512,468)		(62,627)	
Bank charges	(6,836)		(6,731)	
Audit and accountancy	(38,190)		(44,494)	
Marketing expenses	(20,173)		(50,588)	
Sundries	(1,710)		(9,928)	
Rates and service charges	(62,055)		(546,209)	
Repairs and maintenance	(151,919)	(676,496)	0	(895,357)
Operating profit		**13,418,803**		**10,148,819**
Interest receivable		57,636		51,723
Interest payable		(13,588,644)		(13,642,765)
Profit for the year		**(112,205)**		**(3,442,223)**

Notes to the financial statements
for the year ended 31 March 2006 and 2005

Accounting policies

The financial statements have been prepared under the historical cost convention using the following accounting policies.

Turnover

Turnover represents rent received in the period from the investment property together with income from the surrender of lease by tenants.

Investment property

No depreciation is provided on the freehold investment property and the directors consider that this accounting policy is appropriate for the company's activities.

Purchase lease surrender agreements

Where payments are made to secure the early surrender of tenant leases these payments are capitalised and written off to the profit and loss account over the period to the first rent review in the successor lease.

Discounted loans

Where loans are taken at a discount to the final principal repayable, the amount of the discount is treated as an extra finance charge of the loan.

The finance charge is allocated to the profit and loss account throughout the term of the loan.

Interest rate options

Where options have been taken out regarding the interest rate applicable to a loan, the option charge is offset against the loan balance and amortised on a straight line basis over the period of the loan to apportion the charge.

If the option is not exercised or no longer required the charge is written off to the profit and loss account in the accounting period in which the option expires.

Notes to the financial statements
for the year ended 31 March 2006 and 2005

Turnover

Turnover is wholly derived from within the United Kingdom, from the renting of the investment property.

Tangible assets	**Purchase lease surrender agreements**	**Freehold investment property**	**Total**
	£	**£**	**£**
Cost			
At 1 April 2005	815,625	223,308,100	224,123,725
Addition during the year	0	0	0
At 31 March 2006	**815,625**	**223,308,100**	**224,123,725**
Depreciation			
At 1 April 2005	808,370	0	808,370
Charge for the year	7,255	0	7,255
At 31 March 2006	**815,625**	**0**	**815,625**
Net book value:			
At 31 March 2006	**0**	**223,308,100**	**223,308,100**
At 31 March 2005	7,255	223,308,100	223,315,355

Fire Insurance Value of Freehold Investment property

Building	£	158,625,000
Contents	£	500,000
Loss of rent (48 months)	£	75,000,000

Notes to the financial statements
for the year ended 31 March 2006 and 2005

Share capital	**2006**	**2005**
	£	**£**
Authorised, issued, allotted and fully paid 50 shares of 1,000 Swiss Francs – sterling equivalent upon incorporation	**18,904**	**18,904**

Cash at bank and in hand

Included within cash at bank and in hand of £547,781 (2005: £526,516) is an amount held on deposit of £450,000 (2005: £450,000) which supports a guarantee in favour of Westminster City Council. This balance is restricted in its use under a Section 106 agreement.

Bank loans

The bank loan (£120,000,000) is secured by a charge over the company's freehold investment property and a fixed and floating charge over all assets of the company.

Contingent liabilities

Included within liabilities related parties is a loan of £18,793,650 (2005 = £24,041,279). In consideration for this loan, the company shall pay to the lender 10% of any net profits arising on the sale of the freehold investment property.

Capital commitments

At the year end, the company has capital commitments contracted, but not provided for, of £1,375,000 (2005: £nil) in respect of general refurbishment work to levels 5 and 6 of the freehold investment property.

GEFICA INDUSTRIES AG AUDITED FINANCIAL STATEMENTS YEAR ENDING 31 MARCH 2005

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of Gefica Industries AG for the year ended 31 March 2005.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the profession of Liechtenstein, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion:

In our opinion, except as explained in the following paragraph, the accounting records and financial statements comply with the law of Liechtenstein and the company's articles of incorporation. The balance sheet and profit and loss account are in agreement with the books of account.

The valuation of the freehold investment property of £223,308,100 as per 31 March 2005 is at cost and no depreciation is provided. Although the Open Market Value has been assessed at £197,000,000 by GVA Grimley, London in their valuation dated 16 February 2001, the directors consider that this accounting policy is appropriate for the company's activities.

We recommend that the financial statements, disclosing accumulated losses of £38,724,644 submitted to you be approved despite the above qualification as the expected return on investment of the freehold property is above 6%, which seems to be reasonable and is in line with commercial property yields in central London.

As the basic issued capital of CHF 50,000 (£18,904) is no longer covered by net assets, we herewith explicitly refer to the Persons and Companies Act (PGR Art. 182 e).

However, loanholders have subordinated their receivables (£33,041,279 – shown under "Liabilities related parties"), to the extent of the indebtedness (£32,560,883), to other creditors of the company (PGR Art. 182 f/2).

HORWATH REVISION AG

M. Haker
Certified Accountant Liechtenstein (Auditor in charge)

ppa. B. Zimmermann
Certified Accountant

GEFICA INDUSTRIES AG, VADUZ

Balance sheet
as at 31 March 2005 and 2004

	2004/05		2003/04	
	£	£	£	£
Fixed assets				
Purch. lease surrender agreement	7,255		182,035	
Freehold investment property	223,308,100	223,315,355	221,185,979	221,368,014
Current assets				
Trade debtors	1,579,414		198,397	
Cash at bank and in hand	526,516	2,105,930	647,296	845,693
Current liabilities				
Bank loans	(120,000,000)		(120,000,000)	
Liabilities related parties	(137,615,131)		(131,305,302)	
Other creditors	(367,037)	(257,982,168)	(27,065)	(251,332,367)
Total assets less current liabilities		**(32,560,883)**		**(29,118,660)**
Capital and reserves				
Called up share capital		18,904		18,904
Other reserves		6,144,857		6,144,857
Deficit brought forward	(35,282,421)		(33,257,926)	
Profit for the year	(3,442,223)	(38,724,644)	(2,024,495)	(35,282,421)
Total shareholders' funds – equity		**(32,560,883)**		**(29,118,660)**

GEFICA INDUSTRIES AG, VADUZ

Profit and loss account
for the year ended 31 March 2005 and 2004

		2004/05		2003/04
		£		£
Turnover		**11,044,176**		**11,915,528**
Depreciation	(174,780)		(174,780)	
Legal and professional fees	(62,627)		(218,976)	
Bank charges	(6,731)		(6,839)	
Audit and accountancy	(44,494)		(57,503)	
Marketing expenses	(50,588)		(77,449)	
Sundries	(9,928)		(7,601)	
Rates and service charges	(546,209)		(566,234)	
Repairs and maintenance	0	(895,357)	(71,170)	(1,180,552)
Operating profit		**10,148,819**		**10,734,976**
Interest receivable		51,723		53,075
Interest payable		(13,642,765)		(12,812,546)
Profit for the year		**(3,442,223)**		**(2,024,495)**

Notes to the financial statements
for the year ended 31 March 2005 and 2004

Accounting policies

The financial statements have been prepared under the historical cost convention using the following accounting policies.

Turnover

Turnover represents rent demanded in the period from the investment property together with income from the surrender of lease by tenants.

Investment property

No depreciation is provided on the freehold investment property and the directors consider that this accounting policy is appropriate for the company's activities.

Purchase lease surrender agreements

Where payments are made to secure the early surrender of tenant leases these payments are capitalised and written off to the profit and loss account over the period to the first rent review in the successor lease.

Discounted loans

Where loans are taken at a discount to the final principal repayable, the amount of the discount is treated as an extra finance charge of the loan.

The finance charge is allocated to the profit and loss account throughout the term of the loan.

Interest rate options

Where options have been taken out regarding the interest rate applicable to a loan, the option charge is offset against the loan balance and amortised on a straight line basis over the period of the loan to apportion the charge.

If the option is not exercised or no longer required the charge is written off to the profit and loss account in the accounting period in which the option expires.

Notes to the financial statements
for the year ended 31 March 2005 and 2004

Turnover

Turnover is wholly derived from within the United Kingdom, from the renting of the investment property.

Tangible assets	**Purchase lease surrender agreements**	**Freehold investment property**	**Total**
	£	**£**	**£**
Cost			
At 1 April 2004	815,625	221,185,979	222,001,604
Addition during the year	0	2,122,121	2,122,121
At 31 March 2005	**815,625**	**223,308,100**	**224,123,725**
Depreciation			
At 1 April 2004	633,590	0	633,590
Charge for the year	174,780	0	174,780
At 31 March 2005	**808,370**	**0**	**808,370**
Net book value:			
At 31 March 2005	**7,255**	**223,308,100**	**223,315,355**
At 31 March 2004	182,035	221,185,979	221,368,014

Fire Insurance Value of Freehold Investment property

Building	£	158,625,000
Contents	£	500,000
Loss of rent (48 months)	£	75,000,000

Notes to the financial statements
for the year ended 31 March 2005 and 2004

Share capital	**2005**	**2004**
	£	**£**
Authorised, issued, allotted and fully paid		
50 shares of 1,000 Swiss Francs – sterling equivalent		
upon incorporation	**18,904**	**18,904**

Other creditors

An amount of £85,885,160 (2004 = £85,885,160) included in liabilities related parties is secured by a second legal charge over the company's freehold investment property.

Bank loans

The bank loan (£120,000,000) is secured by a charge over the company's freehold investment property and a fixed and floating charge over all assets of the company.

Contingent liabilities

Included within liabilities related parties is a loan of £24,041,279 (2004 = £23,343,650). In consideration for this loan, the company shall pay to the lender 10% of any net profits arising on the sale of the freehold investment property.

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