PROSPECTUS DATED 10 April, 2006

WHITE TOWER 2006-1 plc

(incorporated with limited liability in England and Wales with registration number 5706986)

£281,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2013

£80,300,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2013

£71,950,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2013

£101,750,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2013

SOCIETE GENERALE CORPORATE & INVESTMENT BANKING, LONDON BRANCH
Lead Manager and Sole Bookrunner

BANCAJA, LA CAIXA and BANKINTER

Co - Managers

The date of this Prospectus is 10 April, 2006.

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.

Certain terms used in this section of the Prospectus are defined elsewhere in this document. A list of the pages on which these terms are defined is found in the "Index of Defined Terms" in Appendix 2 to this Prospectus.

The Notes and interest accruing on the Notes will be obligations of the Issuer only. The Notes will not be obligations or responsibilities of, nor will they be guaranteed by, Société Générale ("SG"), by the Managers, the Servicer, the Special Servicer, the Trustee, the Corporate Services Provider, the Share Trustee, the Paying Agents, the Agent Bank, the Liquidity Facility Provider, the Cash Manager or the Operating Bank or any company in the same group of companies as any of them.

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

The Issuer accepts responsibility for the 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.

*This document constitutes the prospectus (the "**Prospectus**") for the purposes of the Directive 2003/71/EC (the "**Prospectus Directive**").*

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

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, the Originator, the Managers, the Servicer, the Special Servicer, the Trustee, the Corporate Services Provider, the Share Trustee, the Paying Agents, the Agent Bank, the Liquidity Facility Provider, the Cash Manager or the Operating Bank or any of their respective affiliates or advisors. 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 or in any of the information contained herein since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by, the Issuer, SG or any of the Managers that any recipient of this Prospectus should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation and appraisal of the creditworthiness of the Issuer.

Other than the approval in accordance with the Listing and Admissions to Trading Guidelines for Asset-backed Securities of the Irish Stock Exchange, 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 the whole or any part of this Prospectus comes are required by the Issuer and the Managers 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.

*The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) (see "Subscription and Sale").*

*The Notes of each class will initially be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**"), without interest coupons attached, which will be deposited on or about 10 April, 2006 ("**Closing Date**") with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"), and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Each Temporary Global Note will be exchangeable for interests in a permanent global note (each a "**Permanent Global Note**"), without interest coupons attached, on or after the date which is expected to be 20 May, 2006 upon customary certification as to non-U.S. beneficial ownership. Ownership interests in the Temporary Global Notes and the Permanent Global Notes (together, the "**Global Notes**") will be shown on, and transfers of them will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Interests in the Permanent Global Notes will be exchangeable for definitive Notes in bearer form only in certain limited circumstances as set forth in the Permanent Global Notes.*

*All references in this document to "**sterling**" or "**pounds**" or "**£**" are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland. All references in this document to "**€**" or "**Euro**" or "**euro**" are references to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty of Rome of 25 March, 1957, as amended from time to time.*

In connection with this issue, Société Générale, London Branch or any person acting on behalf of Société Générale, London Branch may over-allot Notes (provided that the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount 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 Société Générale, London Branch or any person acting on behalf of Société Générale, London Branch will undertake such action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.

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SUMMARY OF THE CHARACTERISTICS OF THE NOTES

	Class A Notes	*Class B Notes*	*Class C Notes*	*Class D Notes*
Total Principal Amount on the Closing Date	£281,000,000	£80,300,000	£71,950,000	£101,750,000
Denomination	£50,000	£50,000	£50,000	£50,000
Issue Price	100%	100%	100%	100%
Frequency of Payments of Interest and of Amortisation of Principal	January April July October	January April July October	January April July October	January April July October
Margin	0.18 per cent.	0.35 per cent.	0.56 per cent.	0.85 per cent.
Expected Weighted Average Life(1)	4.54 years	4.54 years	4.54 years	4.54 years
Expected Maturity(1)	2010	2010	2010	2010
Legal Final Maturity	2013	2013	2013	2013
Expected S&P Rating ..	AAA	AAA	AA	BBB
Expected Moody's Rating	Aaa	Aa3	A2	Baa1
Form at Issue	Global Bearer	Global Bearer	Global Bearer	Global Bearer
Listing	Application for listing with the Irish Stock Exchange	Application for listing with the Irish Stock Exchange	Application for listing with the Irish Stock Exchange	Application for listing with the Irish Stock Exchange
Clearing Systems	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg
Common Code	XS0249540138	XS0249541029	XSO249542266	XS0249543157
ISIN	24954013	24954102	24954226	24954315

Note:
(1) Based on the assumptions set out under the "*Estimated Average Lives of the Notes and Assumptions*" below.

SUMMARY

The information in this section does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere and related documents referred to in this Prospectus. Prospective investors are advised to carefully read, and should rely solely on, the detailed information appearing elsewhere and related documents referred to in this Prospectus in making any investment decision. Capitalised terms used, but not defined, in this section can be found elsewhere in this Prospectus, unless otherwise stated. A list of the pages on which these terms are defined is set out in the "Index of Defined Terms" in Appendix 2 to this Prospectus.

GENERAL

On the Closing Date, the Issuer will issue the Notes and will use the proceeds of such issuance to acquire from SG (in its capacity as the originator of loans, the "**Originator**") its legal and beneficial interest in a portfolio of three loans, together with the Originator's beneficial interests (pursuant to the relevant security trust) in the related mortgages and other security (together, the "**Loan Security**").

The loans each comprise of a fully drawn term loan advanced by SG (each a "**Whole Loan**") which has subsequently been divided and an intercreditor agreement (the "**Intercreditor Agreement**") has been entered into in respect of each of them. The senior loan part (each a "**Senior Loan**") of each of the three Whole Loans will be sold to the Issuer by SG as the senior lender (the "**Senior Lender**"). The other portion of each Whole Loan (each a "**Junior Loan**") is held by a junior lender (the "**Junior Lender**" and, together with the Senior Lender, the "**Lenders**") and by virtue of the provisions in the Intercreditor Agreement, is subordinated to the relevant Senior Loan.

Except where stated otherwise in respect of the Junior Loans, the information in this Prospectus regarding the loans relates to the Senior Loans only (the term "**Loan**" shall refer to the Senior Loan part of each Whole Loan and "**Loans**" shall refer to the Senior Loan parts for each of the three Whole Loans), as the context requires. The Loans together constitute the "**Loan Pool**".

Each Loan has been made to a different borrower (each a "**Borrower**") and together, as at 1 March, 2006 (the "**Cut-Off Date**"), the Loans had an outstanding aggregate principal amount of £534,960,083. However, the outstanding aggregate principal amount of the Loans on the Closing Date may, as a result of any prepayment of the Loans prior to the Closing Date, be lower (see "*Risk Factors – Changes to the Portfolio*" below).

The Loan Security for each Whole Loan is held by the current chargee (the "**Loan Security Trustee**"), on trust for, amongst others, the Senior Lender (and, upon completion of such acquisition, the Issuer). It is anticipated that on or around the Closing Date, ABN AMRO Trustees Limited will be appointed as the Loan Security Trustee in respect of each Whole Loan.

The Borrowers in respect of the three Loans are Prime Locations and Properties Limited Partnership ("**Prime Locations**"), Victoria Embankment Properties Limited and Victoria Embankment Holdings Limited (together, "**Victoria Embankment**") and Millennium Bridge Investments Limited ("**Millennium Bridge**").

Borrowers	**Balance as at Cut-Off Date**	**Legal Maturity**	**Cut-Off Date Interest Cover Ratio**	**Cut-Off Date LTV Ratio**
Prime Locations	238,196,398.42	18 October 2010	1.44	76.84 per cent.
Victoria Embankment	213,693,758.16	18 October 2010	1.44	76.73 per cent.
Millennium Bridge	83,069,926.76	18 October 2010	1.44	76.77 per cent.

The Loans are evidenced by a single credit agreement (as amended and restated) (the "**Credit Agreement**") which is governed by English law. Each of the Loans provide for the relevant Borrower to pay a floating rate of interest (although in each case, the Borrower is obliged pursuant to the Credit Agreement to enter into hedging arrangements). All of the Loans are denominated in sterling, are obligations of the relevant Borrowers and are secured by first legal mortgages (the "**Mortgages**") over commercial office properties (the "**Properties**") given by a Borrower and/or a party related to a Borrower or a trustee for the Borrower (each a "**Mortgagor**").

In accordance with the Credit Agreement and the Intercreditor Agreement, on any Loan interest payment date, monies standing to the credit of each Borrower's collection account shall be paid to the lenders of the Senior Loans before any payments are made under the Junior Loans. The Loans are also cross-collateralised so each Borrower guarantees the obligations of the other Borrowers and may be liable to make payment on behalf of a defaulting Borrower as if it were the principal debtor. Under the terms of the Credit Agreement, the Loans contain cross-default provisions so if any Borrower defaults under its Loan, this shall cause the remaining two Loans to default and, unless remedied, will cause an event of default under the Credit Agreement (a "**Loan Event of Default**"). In the event that a Borrower repays or prepays a Whole Loan early, a release amount equalling 113 per cent. of the principal amount originally advanced of the Whole Loan (a "**Release Amount**") shall be paid by the Borrower in or towards repayment or prepayment of the relevant Whole Loan and the other outstanding Whole Loans in accordance with the Post-Enforcement/Property Sale or Whole Loan refinancing waterfall and the terms of the Intercreditor Agreement (see *"The Intercreditor Agreement"* on page 68 below). This property release mechanism enables both the Senior and Junior Loans to be deleveraged by way of additional amortisation.

The Properties charged by way of security for the Loans are as follows:

(i) in the case of the Prime Locations Loan, Aviva Tower, 1 Undershaft, London, EC3 (the "**Prime Locations Property**"), which is leased to CGU International Insurance plc (a wholly owned subsidiary of Aviva plc);

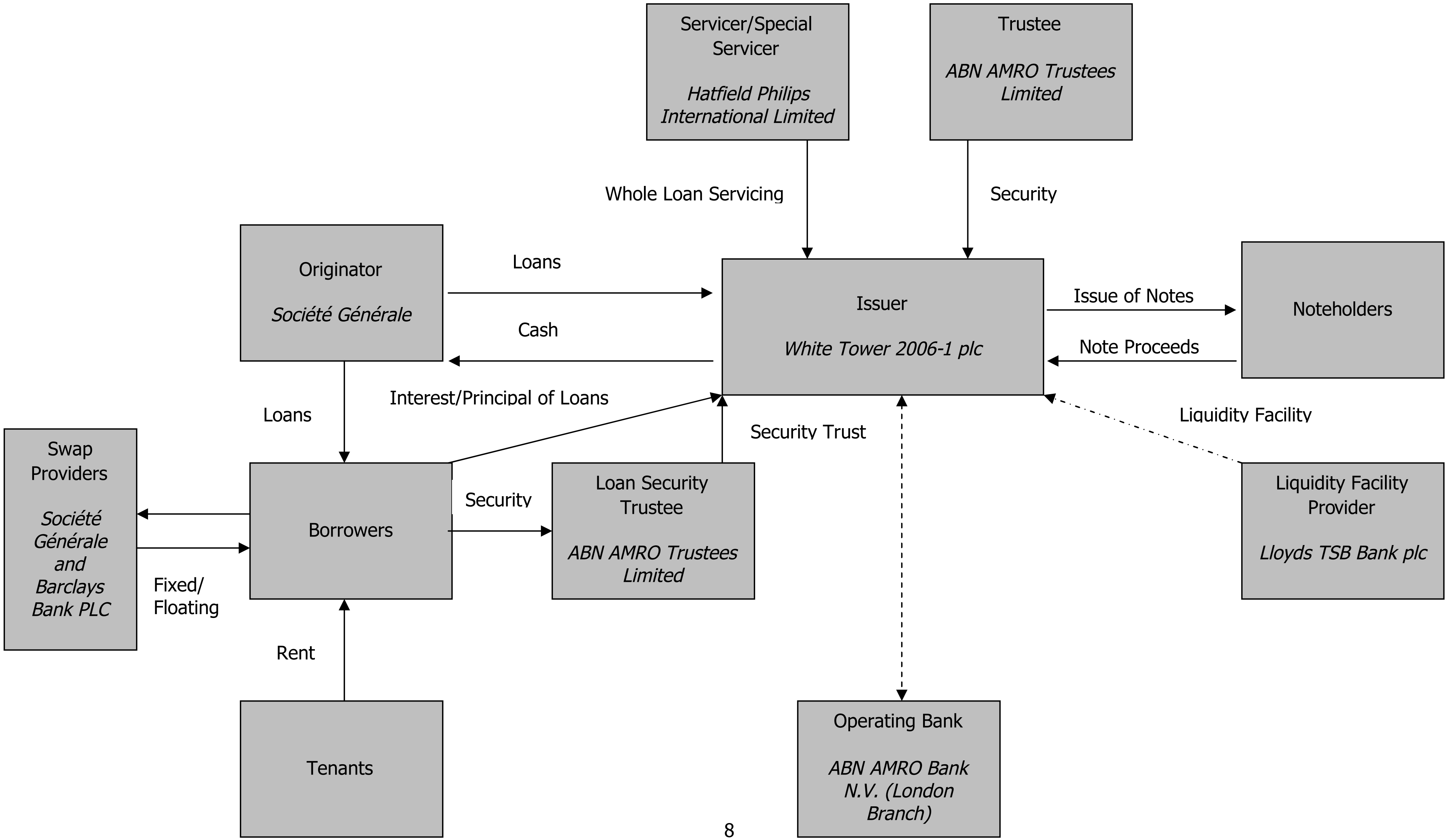
(ii) in the case of the Victoria Embankment Loan, 60 Victoria Embankment, 5-17 (odd) Tudor Street and 1 Carmelite Street, London, EC4 (the "**Victoria Embankment Property**"), which is leased to JP Morgan Chase Bank, N.A.; and

(iii) in the case of the Millennium Bridge Loan, Millennium Bridge House, St Paul's Vista, Upper Thames Street, London, EC4 (the "**Millennium Bridge Property**"), which is leased to SBCI IB Limited (a wholly owned subsidiary of UBS AG).

For further information with regard to the Properties, see "*Appendix 1 – The Borrowers*" on page 139 below.

The obligations of the Issuer under the Notes to the Noteholders and to the other secured parties will be secured pursuant to a deed of charge and assignment governed by English law. The Issuer will create in favour of the Trustee, amongst other things, (a) an assignment by way of security of the Loans and the Issuer's rights under the Credit Agreement; (b) an assignment by way of security of the Issuer's beneficial interest in the Loan Security; (c) an assignment by way of security of the Issuer's rights under certain contracts and agreements entered into in connection with the issuance of the Notes; (d) an assignment by way of security of the Issuer's interests in the Issuer Transaction Account, the Stand-by Account and Cash Investment Account and certain other accounts in which the Issuer may place and hold cash; (e) a charge over any other Eligible Investments from time to time held by or on behalf of the Issuer; and (f) a floating charge over the whole of the undertaking and assets of the Issuer (other than those assets that are otherwise secured by way of an effective fixed security interest).

DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



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THE KEY TRANSACTION PARTIES

Issuer: White Tower 2006-1 plc (the "**Issuer**") is a public company incorporated in England and Wales with limited liability under registration number 5706986 and whose 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 the Share Trustee.

Trustee: ABN AMRO Trustees Limited, whose principal office is at 82 Bishopsgate, London EC2N 4BN, will act as the note and security trustee (in such capacity, the "**Trustee**") for the holders of the Notes pursuant to a trust deed (the "**Trust Deed**") between the Trustee and the Issuer to be dated on or prior to the Closing Date.

Loan Security Trustee: ABN AMRO Trustees Limited will act as the loan security trustee (in such capacity, the "**Loan Security Trustee**") for the secured parties under the Whole Loans.

Originator: Société Générale, a company incorporated in France with limited liability and whose principal office in the United Kingdom is at 41 Tower Hill, London EC3N 4SG, will assign to the Issuer its interests in the Loans and its beneficial interests in the Loan Security pursuant to a loan sale agreement (the "**Loan Sale Agreement**") between the Originator, the Issuer and the Trustee to be dated on or prior to the Closing Date.

Servicer: Hatfield Philips International Limited ("**Hatfield Philips**"), whose principal office is at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB, will act as the servicer (in such capacity, the "**Servicer**") of the Whole Loans, pursuant to a servicing agreement (the "**Servicing Agreement**") between, amongst others, the Servicer, the Special Servicer, the Trustee and the Issuer to be dated on or prior to the Closing Date.

Special Servicer: Hatfield Philips International Limited will also act as the initial special servicer (in such capacity, the "**Special Servicer**") in relation to the Whole Loans pursuant to the Servicing Agreement.

Controlling Party: The "**Controlling Party**" means the Junior Lender provided that if, at any relevant time, the actual aggregate principal amount (or, if lower, the Adjusted Principal Amount) of the Junior Loans is less than 25% of the initial aggregate principal amount of the Junior Loans then the Controlling Party shall be the Controlling Class.

The Controlling Class shall be the holders of the most junior class of Notes outstanding (after the application of any Appraisal Reduction Amount and the Controlling Class Test) at the relevant time as further described in "*Loan Servicing – The Controlling Class*".

Principal Paying Agent and Agent Bank: ABN AMRO Bank N.V. (London Branch) acting through its branch at 250 Bishopsgate, London EC2M 4AA will be the principal paying agent (in such capacity, the "**Principal Paying Agent**") and agent bank (in such capacity, the "**Agent Bank**") under an agency agreement (the "**Agency Agreement**") between, amongst others, the Issuer, the Principal Paying Agent and the Agent Bank to be dated on or prior to the Closing Date.

Irish Paying Agent: NCB Stockbrokers Limited, whose registered office is at 3 George's Dock, International Finance Services Centre, Dublin, Ireland, will act as the Irish paying agent (the "**Irish Paying Agent**") under the Agency Agreement. The Irish Paying Agent, together with the Principal Paying Agent and any other paying agent(s) that may be appointed pursuant to the Agency Agreement, are together referred to as the "**Paying Agents**".

Cash Manager: ABN AMRO Bank N.V. (London Branch) will act as the cash manager (in such capacity, the "**Cash Manager**") under a cash management agreement (the "**Cash Management Agreement**") between, amongst others, the Issuer and the Cash Manager to be dated on or prior to the Closing Date.

Operating Bank: ABN AMRO Bank N.V. (London Branch) will act as the operating bank (in such capacity, the "**Operating Bank**") under the Cash Management Agreement.

PECO: White Tower Property Estate Capital Options Limited ("**PECO**"), a limited liability company incorporated in England and Wales with limited liability under registration number 5409555 and whose registered office is at 35 Great St. Helen's, London EC3A 6AP will, pursuant to an agreement (the "**Post-Enforcement Call Option Agreement**"), have the benefit of an option (the "**Post-Enforcement Call Option**") to acquire all the Notes of the Issuer then outstanding, which will be exercisable only after certain conditions have been met (see "*Risk Factors – Post-Enforcement Call Option*" below and Condition 6). The entire issued share capital of PECO is held by the Share Trustee for charitable purposes under the terms of the White Tower 2005-1 plc Securitisation Trust dated 14 April, 2005.

Liquidity Facility Provider: Lloyds TSB Bank plc (the "**Liquidity Facility Provider**"), acting through its corporate office located at Faryner's House, 25 Monument Street, London EC3R 8BQ, will provide a revolving liquidity facility in an initial amount equal to £36,112,500 (such commitment being reduced in line with the aggregate principal balance of the Notes as more fully described in "*Credit Structure – Liquidity Facility*" below) (the "**Liquidity Facility**") under a liquidity facility agreement (the "**Liquidity Facility Agreement**") between the Liquidity Facility Provider, the Issuer and the Trustee to be dated on or prior to the Closing Date. The Liquidity Facility will be available to fund shortfalls in senior expenses and interest payments in respect of the Notes (a "**Senior Expenses Drawing**") and to advance Senior Loan payments due under the Loan Swap Agreements contracted in relation to the Whole Loans on any Loan Interest Payment Date (a "**Loan Swap Advance**") (as more fully described in "*Credit Structure – 3. Liquidity Facility*").

Corporate Services Provider: Structured Finance Management Limited, whose registered office is at 35 Great St. Helen's, London EC3A 6AP, will act as the corporate services provider (the "**Corporate Services Provider**") and will provide certain corporate, administrative and accounting services to the Issuer pursuant to a corporate services agreement (the "**Corporate Services Agreement**") between, amongst others, the Corporate Services Provider and the Issuer to be dated on or prior to the Closing Date. The Corporate Services Provider also provides certain corporate, administrative and accounting services to PECO, in accordance with a separate corporate services agreement dated 6 May, 2005.

Share Trustee: SFM Corporate Services Limited will, pursuant to a charitable declaration of trust (the "**Share Declaration of Trust**"), act as the share trustee of the Issuer (the "**Share Trustee**") and provide certain services as trustee of White Tower 2006-1 Securitisation Trust (the "**Securitisation Trust**").

THE LOANS

The Loan Pool: All the Loans are secured by first priority legal mortgages over office buildings which are located in London, England.

The Loans were originated by the Originator in accordance with the procedure described in "*The Loans and the Loan Security*" below as applied by the Originator in advancing loans subject to such variations or waivers as would have been acceptable to a reasonably prudent lender of money secured on commercial property.

The following is a summary of certain characteristics of the Loan Pool:

Size of Loan Pool at Cut-Off Date	£534,960,083
Minimum Cut-Off Date balance	£83,069,927
Maximum Cut-Off Date balance	£238,196,398
Average Cut-Off Date balance	£178,320,028
Minimum term to maturity	4.63 years
Maximum term to maturity	4.63 years
Average life of loan pool	4.63 years
Minimum Cut-Off Date loan rate	5.31 per cent.
Maximum Cut-Off Date loan rate	5.52 per cent.
Weighted average Cut-Off Date loan rate	5.41 per cent.
Minimum Cut-Off Date ICR	1.44 per cent.
Maximum Cut-Off Date ICR	1.44 per cent.
Weighted average Cut-Off Date ICR	1.44 per cent.
Minimum Cut-Off Date LTV	76.70 per cent.
Maximum Cut-Off Date LTV	76.84 per cent.
Weighted average Cut-Off Date LTV	76.77 per cent.

See further "*The Loan Pool*" below.

Valuations: In relation to each Loan, prior to making the initial advance, the Originator obtained an independent valuation of the Property charged as security as a condition precedent to the making of the advance to the relevant Borrower (each a "**Valuation**"). No further independent valuations of the Properties will be obtained for this transaction before the Closing Date and accordingly all references in this Prospectus to valuations (including LTVs and property values) are references to the Valuations.

Payments on the Loans: All of the Loans have been current since origination and were still current as at the Cut-Off Date. The next interest payment date under the Credit Agreement will be on 23 April, 2006. The Loans are repayable on the final maturity date, being 18 October, 2010 (the "**Final Maturity Date**") and have principal repayment obligations arising on each quarterly loan interest payment date (each a "**Loan Interest Payment Date**") before their respective Final Maturity Date. All of the Loans are prepayable by the relative Borrower, in part or in full, upon not less than 10 Business Days' prior written notice (see "*The Loans and the Loan Security — The Credit Agreement — Payments/Prepayments*"). If a Borrower prepays a Whole Loan early, a Release Amount shall be paid for repayment of the relevant Whole Loan and towards repayment or prepayment on a *pro rata* basis of all the other remaining Senior Loans and Junior Loans.

On any Loan Interest Payment Date, monies received in relation to the Properties and standing to the credit of each Borrower's collection account shall be paid to the lenders of, and hedging providers to, the Senior Loans before any payments are made under the Junior Loans. Each Borrower guarantees the obligations of the other Borrowers and may be liable to make payment on behalf of a defaulting Borrower as if it were the principal debtor. If a Borrower defaults under its Loan, and provided the Agent has issued a notice in relation to the other two Loans, this shall cause the remaining two Loans to default and, unless remedied, will cause a Loan Event of Default under the Credit Agreement.

Hedging Arrangements: Each Borrower has, in order to provide additional support for its obligations to pay interest under the Whole Loan made to it, entered into separate hedging arrangements (the "**Loan Swap Agreements**") for each Whole Loan whereby the relevant hedging swap provider has agreed to pay sums to the relevant Borrower based on a floating rate of interest in return for obligations on the Borrower to pay to the relevant hedging provider sums based on a fixed rate of interest. The hedging provider for Prime Locations is Société Générale, acting through its principal office at 41 Tower Hill, London EC3N 4SG (the "**Loan Swap Counterparty A**") and the hedging provider for Victoria Embankment and Millennium Bridge is Barclays Bank PLC, acting through its office at 1 Churchill Place, London E14 5HP (the "**Loan Swap Counterparty B**" and together with Loan Swap Counterparty A, the "**Loan Swap Counterparties**") (see "*The Loans and the Loan Security - Credit Agreement - Hedging Arrangements*" on page 56 and "*The Intercreditor Agreement*" on page 68 below).

Representations and Warranties: The Loan Sale Agreement contains certain warranties given by the Originator in respect of the Loans and the Loan Security which are summarised in "*The Loans and the Loan Security — Acquisition of the Loans — Representations and Warranties*". The Originator will be required (should the Issuer exercise this right), in the case of a material breach of any such warranty, which (if capable of remedy) has not been remedied within the time specified in the Loan Sale Agreement, to repurchase any relevant Loan then outstanding, together with the beneficial interest in the relevant Loan Security. The consideration for such repurchase shall be the principal amount of the relevant Loan together with an amount in respect of interest accrued on such Loan (including interest accrued but not yet paid and also any costs or expenses associated with the securitisation of the Loans) up to (but excluding) the date of completion of such repurchase. Any such repurchase would result in redemption of the Notes in whole or in part in accordance with Condition 5(b) of the Terms and Conditions of the Notes.

The Loan Security: In the case of each Loan, as security for the obligations of the relevant Borrower under the Credit Agreement (including each Borrower's obligations under its guarantee in respect of the other Borrowers), the following security has been granted in favour of the Loan Security Trustee:-

(a) a debenture from each Borrower over all of its assets (each a "**Debenture**");

(b) a first legal mortgage over each Property financed by the Loans from each Borrower or (where the relevant Property is held by a mortgagor or trustee for the Borrower) the relative Mortgagor (each a "**Legal Mortgage**");

(c) a security interest agreement in respect of the collection accounts of each Borrower held at SG Hambros Bank (Channel Islands) Limited into which rental income attributable to the relevant Property is to be paid (each an "**Account Charge**");

(d) charges over the issued share capital of each Borrower (each a "**Share Charge**");

(e) A security interest agreement in respect of a tranching account of the Issuer held by the Operating Bank into which monies received from the Collection Accounts of each Borrower (referred to in (c) above) is paid (the "**Tranching Account Declaration of Trust**");

(f) in the case of the Victoria Embankment Loan only, charges (each a "**Unit Charge**") over the units held by Victoria Embankment in The Victoria Embankment Unit Trust (the "**VE Unit Trust"**) which owns the Victoria Embankment Property;

(g) a subordination agreement pursuant to which any other indebtedness owed by the Borrowers to subordinated lenders (the "**Subordinated Lenders**") is subordinated to the Lenders under the Loans (the "**Subordination Agreement**"); and

(h) an intercreditor agreement between the Lenders, the Borrowers, the Mortgagors and Loan Swap Counterparties regulating the priority of monies received in respect of the properties and Loan Swap Agreements (the "**Intercreditor Agreement"**).

The Account Charges, Debentures, Intercreditor Agreement, Legal Mortgages, Share Charges, Subordination Agreement and Unit Charges, together with any other security securing the obligations of the Borrowers under the Loans, are referred to in this Prospectus as the "**Loan Security"**.

Further Advances: The Issuer is not required to make any further advance to any Borrower pursuant to any of the Loans. Neither the Servicer nor the Special Servicer is permitted under the Servicing Agreement to agree to an amendment of the terms of a Loan that would require the Issuer to make a further advance to a Borrower, unless the Issuer has agreed and written confirmation is received from at least one Rating Agency (and in any case from S&P) that the ratings of the Notes will not be adversely affected.

Insurance: Each Property that is charged is covered by a buildings insurance policy maintained by the relevant Borrower or another person with an appropriate insurable interest in the relevant Property. The Loan Security Trustee is either joint insured or has had its interest noted on the relevant policy, with the exception of the Victoria Embankment Property which is currently insured by its tenant, JP Morgan Chase Bank, where no such interest is noted.

For a more detailed description of the insurance arrangements and the related risks see "*Risk Factors — Factors Relating to the Loans — Insurance*" and "*The Loans and the Loan Security — Insurance*".

THE NOTES

Classes:

The Issuer will issue £281,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2013 (the "**Class A Notes**"), £80,300,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2013 (the "**Class B Notes**"), £71,950,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2013 (the "**Class C Notes**"), £101,750,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2013 (the "**Class D Notes**" and, together with the Class A Notes, the Class B Notes and the Class C Notes, the "**Notes**").

Status, Form and Denomination:

The Notes constitute secured, direct and unconditional obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any person other than the Issuer. The Notes will be constituted by the Trust Deed. The Notes of each class will rank *pari passu* without any preference or priority among themselves. The Notes will have the benefit of the same security, but, in the event of the security being enforced, the Class A Notes will rank senior in priority to the Class B Notes as to payment of both principal and interest, the Class B Notes will rank senior in priority to the Class C Notes as to payment of both principal and interest and the Class C Notes will rank senior in priority to the Class D Notes as to payment of both principal and interest.

The Notes of each class will initially be represented by a temporary global note in bearer form (each a "**Temporary Global Note**") without coupons or talons attached and which will represent the aggregate principal amount outstanding of each class. On the Closing Date, each Temporary Global Note will be deposited on behalf of the subscribers of the relevant class of Notes with a common depositary (the "**Common Depositary**") for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"). Interests in each Temporary Global Note will be exchangeable from and including the date which is 40 days after the Closing Date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership by the relevant Noteholders, for interests in a permanent global note (each a "**Permanent Global Note**") representing the same class of Notes, in bearer form without coupons or talons attached, which will also be deposited with the Common Depositary. The Permanent Global Notes will be exchangeable for notes in definitive form ("**Definitive Notes**") of the same class only in certain limited circumstances.

The Notes will be in the specified denomination of £50,000 and, for so long as the Notes are represented by Global Notes and the rules of Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradeable only in minimum nominal amounts of £50,000.

If Definitive Notes are required to be issued, they will be issued and printed in the denomination of £50,000.

The Trust Deed will contain provisions requiring the Trustee to have regard to the interests of the holders of the Class A Notes (the "**Class A Noteholders**"), the holders of the Class B Notes (the "**Class B Noteholders**"), the holders of the Class C Notes (the "**Class C Noteholders**") and the holders of the Class D Notes (the "**Class D Noteholders**" and, together with the Class A Noteholders, the Class B Noteholders and the Class C Noteholders, the "**Noteholders**"), but where there is, in the Trustee's opinion, a conflict between such interests, the Trustee will be required to have regard to only the interests of the holders of the Most Senior Class of Notes then outstanding. Certain dasses of Noteholders are restricted in their ability to pass Extraordinary Resolutions.

Limited Resources of the Issuer:

The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of principal and interest from the Borrowers under the Loans. If timely payment under the Loans is not made in full on a Loan Interest Payment Date, the Issuer will also have available to it (subject to satisfaction of the conditions for drawing) drawings under the Liquidity Facility Agreement and a Cash Reserve to fund payments in respect of certain expenses and interest on the Notes. Other than the foregoing, prior to the enforcement of the Issuer Security, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes or its obligations in respect of any payments ranking in priority to the Notes.

Security for the Notes:

The obligations of the Issuer to the Noteholders and to each of the Servicer, the Special Servicer, the Trustee, the Corporate Services Provider, the Principal Paying Agent, the Irish Paying Agent, the Cash Manager, the Liquidity Facility Provider, the Agent Bank and the Operating Bank (all of such persons or entities being, collectively, the "**Secured Parties**") will be secured by and pursuant to a deed of charge and assignment (the "**Deed of Charge and Assignment**") to which the Issuer is a party governed by English law and to be entered into on the Closing Date.

The Issuer will create, amongst other things, the following security under the Deed of Charge and Assignment (the "**Issuer Security**"):

(i) an assignment by way of security of the Issuer's right, title, interest and benefit, present and future, in, under and to the Loans, Loan Security and the Transaction Documents;

(ii) a first fixed charge over all of the Issuer's right, interest and benefit, present and future, in, and under the Eligible Investments, together with all interest accruing from time to time on the Eligible Investments and the debts represented by the Eligible Investments and the benefit of all covenants relating to the Eligible Investments and all powers and remedies for enforcing the same;

(iii) an assignment by way of security of the Issuer's interests in the Issuer's Accounts, from time to time; and

(iv) a charge with full title guarantee by way of first floating charge over the whole of the undertaking and all the property and assets whatsoever and wheresoever, present and future, save in so far as the same is effectively charged by way of fixed charge or otherwise effectively transferred or assigned by way of security.

The Issuer expects that an appointment of an administrative receiver by the Trustee under the Deed of Charge and Assignment will not be prohibited by Section 72A of the Insolvency Act 1986 as the appointment would fall within the exception set out under Section 72B of the Insolvency Act 1986 (First exception: capital market).

Upon enforcement of the Issuer Security, the amounts payable to the Secured Parties (other than the Noteholders) will rank higher in priority to payments of principal of or interest on the Notes, except for amounts owed to the Originator under the Loan Sale Agreement and, in the case of the Liquidity Facility Provider, any amounts due to it as described in item (vii) of "*Cash Flows — Payments paid out of the Issuer Transaction Account- Post-Enforcement of the Notes*".

The Issuer will further create security under the Deed of Charge and Assignment in favour of the Trustee on trust for itself and for the benefit of the Liquidity Facility Provider consisting of a first fixed charge over the Issuer's right, interest and benefit, present and future, in and under the Stand-by Account.

Priority of Payments: Prior to the service of a Note Enforcement Notice by the Trustee, the Issuer will, on each Interest Payment Date, apply Available Interest Receipts in accordance with the relevant priority of payments set out in "*Cash Flows – Payments out of the Issuer Transaction Account – Application of Available Interest Receipts* ".

Prior to the service of a Note Enforcement Notice by the Trustee, the Issuer will, on each Interest Payment Date, apply Borrower Principal Receipts in accordance with the relevant priority of payments set out in "*Cash Flows – Payments out of the Issuer Transaction Account – Priority Amounts*".

Following the service of a Note Enforcement Notice by the Trustee declaring the Notes to be due and payable, the Trustee shall apply funds, to the extent such funds are available, in accordance with the priority of payments set out in "*Cash Flows - Payments out of the Issuer Transaction Account – Post Enforcement of the Notes*".

The Notes will be full recourse obligations of the Issuer. The payment of principal and interest by Borrowers under the Loans will be the principal source of funds for the Issuer to make repayments of principal and payments of interest in respect of the Notes. The Issuer will not as of the Closing Date have any significant assets other than the Loans, its interest in the Loan Security and its rights under any of the documents listed under items (iii) and (iv) of paragraph 8 of "*General Information*" (the "**Transaction Documents**") to which it is a party. Consequently, the Noteholders (or the holders of certain classes of Notes) may in certain circumstances receive by way of principal repayment an amount less than the face value of the Notes upon issuance and the Issuer may be unable to pay interest in full on the Notes (or certain classes of Notes).

Interest: Interest will be payable on the Principal Amount Outstanding of each Note quarterly in arrear on the 23rd day in January, April, July and October in each year or, if such day is not a Business Day, the next following Business Day (unless such Business Day falls in the next succeeding calendar month, in which event the immediately preceding Business Day) (each an "**Interest Payment Date**"). The first Interest Payment Date in respect of each class of Notes will be the Interest Payment Date falling on 23 April, 2006.

The interest rate applicable to the Notes from time to time will be determined by reference to the London interbank offered rate ("**LIBOR**") for three month sterling deposits (or, in the case of the first Interest Period, the linear interpolation of 2 and 3 month sterling deposits) plus, in each case, the Relevant Margin.

The margins applicable to each class of Notes will be as follows (each a "**Relevant Margin**"):

Class	***Relevant Margin***
A	0.18 per cent. per annum;
B	0.35 per cent. per annum;
C	0.56 per cent. per annum; and
D	0.85 per cent. per annum.

Interest on the Notes will be calculated on the basis of actual days elapsed and a 365 day year (or, in the case of a leap year, 366).

Failure by the Issuer to pay interest on the Most Senior Class of Notes when due and payable may result in the Trustee enforcing the Issuer Security. To the extent that funds available to the Issuer on any Interest Payment Date, after paying interest then 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 junior ranking Notes then outstanding, the shortfall in the amount then due will not be paid on such Interest Payment Date but will be paid on the earlier of (a) any subsequent Interest Payment Date if cashflow is available after the Issuer's other higher priority liabilities have been discharged and (b) the date on which the relevant Notes are due to be redeemed in full. A cash reserve of £675,000 will be established for the purpose of making payments to any relevant Class of Noteholders if an interest shortfall should occur in respect of the applicable Class of Notes due to the prepayment of a Loan in the Loan Pool.

Withholding Tax: All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges unless the Issuer or a Paying Agent is required by applicable law to make any such payment subject to any such withholding or deduction. In that event, the Issuer or the Paying Agent will make any relevant payments after such withholding or deduction has been made. In such circumstances, neither the Issuer nor any other party will be obliged to pay an additional amount as a consequence.

Principal Amount Outstanding: The "**Principal Amount Outstanding**" on any day means:

(a) in relation to a Note, the original principal amount of that Note upon issue less the aggregate amount of any principal payments in respect of that Note which have become due and payable (and been paid) on or prior to that day; and

(b) in relation to a class, the aggregate of the amount in (a) in respect of the Notes outstanding in such class; and

(c) in relation to the Notes outstanding at any time, the aggregate of the amount in (a) in respect of all Notes outstanding, regardless of class.

Legal Final Maturity: Unless previously redeemed, the Notes will be redeemed at their Principal Amount Outstanding together with accrued interest on the Interest Payment Date falling in October, 2013.

Mandatory Partial Redemption: Prior to the service of a Note Enforcement Notice, the Notes will be subject to redemption in part on each Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments.

Optional Redemption: The Issuer may on an Interest Payment Date, at its option, redeem all, but not some only, of the Notes at their Principal Amount Outstanding together with accrued interest in the event:

(a) the Issuer at any time satisfies the Trustee that either (i) by virtue of a change in the tax law of the United Kingdom or any other jurisdiction (or the application or official interpretation of such law) from that in effect on the Closing Date, on the next Interest Payment Date the Issuer or any Paying Agent on its behalf would be required to deduct or withhold from any payment of principal or interest in respect of any Note (other than where the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of Notes) (other than in respect of default interest) any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the relevant jurisdiction (or any political sub-division or authority of that relevant jurisdiction having power to tax) and such requirement cannot be avoided by the Issuer taking reasonable measures available to it, or (ii) by virtue of a change in law from that in effect on the Closing Date, any amount payable by the Borrowers in relation to the Loans is reduced or ceases to be receivable (whether or not actually received). The Issuer must certify to the Trustee that it will have the necessary funds on the relevant Interest Payment Date to discharge all of its liabilities in respect of the Notes to be redeemed; or

(b) the aggregate principal outstanding balance of all the Loans is less than 10 per cent. of the aggregate principal outstanding balance of all the Loans as at the Closing Date.

Ratings: The Notes are, upon issue, expected to be rated by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Moody's Investors Service Limited ("**Moody's**" and, together with S&P, the "**Rating Agencies**") as follows:

Class	**S&P**	**Moody's**
A	AAA	Aaa
B	AAA	Aa3
C	AA	A2
D	BBB	Baa1

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 Agencies. The ratings from the Rating Agencies only address the likelihood of timely receipt by any Noteholder of interest on the Notes and the likelihood of receipt by any Noteholder of principal in respect of the Notes by the Legal Final Maturity and do not address the likelihood of receipt by any Noteholder of principal prior to the Legal Final Maturity. Furthermore, the ratings on the Notes only address the credit risks associated with the underlying transaction and do not address the non-credit risks which may have a significant effect on the receipt by Noteholders of interest and principal.

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. Consequently, a qualification, downgrade or withdrawal of any such rating by a Rating Agency may have an adverse effect on the ratings of the Notes.

Transfer Restrictions: Subject to applicable laws and regulations, there are no transfer restrictions in respect of the Notes.

Listing: Application will be made to the Irish Financial Services Regulatory Authority, as competent authority under the Prospectus Directive, for the Prospectus to be approved. Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.

Governing Law: The Notes will be governed by English law.

CASH FLOWS

The payment of principal and interest by the Borrowers in respect of the Loans will provide the principal source of funds for the Issuer to make repayments of principal and payments of interest in respect of the Notes.

Funds paid into the Issuer Transaction Account

Amounts standing to the credit of the Issuer Transaction Account are referable to, amongst other things, the following sources:

(a) "*Borrower Interest Receipts*", comprising all payments of interest, fees, breakage costs, expenses, commissions and other sums (other than principal) paid by Borrowers in respect of the Loans, including recoveries of such amounts on enforcement of a Loan and its related Mortgage and Loan Security;

(b) "*Amortisation Funds*", comprising principal received by the Issuer (including any cash sweeps collected) in respect of the Loans and Loan Security on a scheduled payment date and in accordance with the terms of the Credit Agreement;

(c) "*Prepayment Redemption Funds*", comprising all payments in respect of principal received as a result of (i) any prepayment in part or in full of a Loan (including any Release Amount, if applicable), (ii) the repurchase of a Loan by the Originator pursuant to the Loan Sale Agreement; or (iii) the aggregate amount of Available Interest Receipts payable pursuant to item (vi) of *"Payments out of the Issuer Transaction Account – Pre-Enforcement Interest Priority of Payments";*

(d) "*Final Redemption Funds*", comprising all principal payments received as a result of the repayment of a Loan upon its scheduled final maturity date; and

(e) "*Principal Recovery Funds*", comprising all amounts recovered in respect of principal of the Loans as a result of the enforcement of a Loan or the Loan Security.

Payments out of the Issuer Transaction Account

(a) Priority Amounts

The Issuer shall, prior to the service of a Note Enforcement Notice by the Trustee, out of Borrower Interest Receipts and, where Borrower Interest Receipts are insufficient, out of the aggregate of Amortisation Funds, Prepayment Redemption Funds, Final Redemption Funds and Principal Recovery Funds (such aggregate amount comprising the "**Borrower Principal Receipts**"), pay sums due to third parties (other than the Servicer, the Liquidity Facility Provider (in respect of any Senior Expenses Drawing (see "*Credit Structure – 3. Liquidity Facility – Repayment of Senior Expenses Drawing*" on page 99)), the Originator (other than as specified below), the Special Servicer, the Corporate Services Provider, the Trustee, the Paying Agents, the Agent Bank, the Cash Manager or the Operating Bank), including the Liquidity Facility Provider (in respect of any Loan Swap Advances (see "*Credit Structure – 3. Liquidity Facility – Repayment of Loan Swap Advance*" on page 99)), the Borrowers (as a consequence of any early transfer of the balances of the Collection Accounts into the Tranching

Account prior to an Interest Payment Date (see "*Cash Management*")) and the Issuer's liability, if any, to corporation tax and/or value added tax, on a date other than an Interest Payment Date under obligations incurred in the course of the Issuer's business, including any amounts payable by the Issuer to the Originator pursuant to the Loan Sale Agreement (other than amounts forming a part of Deferred Consideration).

Priority Amounts payable to the Originator are either (a) amounts that accrued under the Loans prior to the Closing Date, which do not belong to the Issuer; and/or (b) where there has been a breach of warranty under a Loan and the Originator has repurchased the relevant Loan, any moneys subsequently received by the Issuer in respect of that Loan which do not belong to the Issuer.

(b) Application of Available Principal

The Cash Manager shall, on the basis of information provided to it by the Servicer, calculate on each Calculation Date in respect of the Collection Period then ended, the amount of Available Amortisation Funds, Available Prepayment Funds, Available Redemption Funds and Available Principal Recovery Funds less any amount deducted from such funds for the purpose of paying Liquidation Fees and/or Workout Fees (together, "**Available Principal**").

On each Interest Payment Date, prior to the service of a Note Enforcement Notice by the Trustee, the Issuer will apply Available Principal to make the following payments in the following order of priority (the "**Pre-Enforcement Principal Priority of Payments**" (in each case only if and to the extent that payments of a higher priority have been paid in full):

(i) in paying principal on the Class A Notes until all the Class A Notes have been redeemed in full;

(ii) in paying principal on the Class B Notes until all the Class B Notes have been redeemed in full;

(iii) in paying principal on the Class C Notes until all the Class C Notes have been redeemed in full; and

(iv) in paying principal on the Class D Notes until all the Class D Notes have been redeemed in full.

(c) Application of Available Interest Receipts

Available Interest Receipts will on any Interest Payment Date be comprised of the following:

(a) all payments of interest, fees, breakage costs, if any, expenses, commissions and other sums (in each case including recoveries in respect of such amounts on enforcement of a Loan or Loan Security) paid by Borrowers in respect of the Loans or the Loan Security (other than any payments in respect of principal) during the Collection Period ended immediately before such Interest Payment Date (the "**Relevant Collection Period**") (net of any Borrower Interest

Receipts applied during such Collection Period in payment of any of the Priority Amounts);

(b) the proceeds of any Eligible Investments and any interest accrued upon the Issuer's Accounts and paid into the Issuer Transaction Account;

(c) any advances made (or to be made if necessary) under the Liquidity Facility Agreement in respect of a Senior Expenses Drawing and/or any Loan Swap Advance;

(d) any amount deducted from Principal Recovery Funds for the purpose of paying Liquidation Fees and any amount deducted from Amortisation Funds, Final Redemption Funds and Prepayment Redemption Funds for the purpose of paying Workout Fees; and

(e) all other monies received by the Issuer in respect of the Relevant Collection Period and treated as being of a revenue nature,

(in the case of sums referred to in (a),(b),(d) and (e) being such amounts received during the Relevant Collection Period and in the case of sums referred to in (c) being such amounts received on the Calculation Date in the case of a Loan Swap Advance or on the relevant Interest Payment Date in the case of a Senior Expenses Drawing) (such amounts being collectively the "**Available Interest Receipts**" in respect of such Interest Payment Date) will be applied in the following order of priority (the "**Pre-Enforcement Interest Priority of Payments**") (in each case only if and to the extent that the payments and provisions of a higher priority have been paid in full), all as more fully set out in the Deed of Charge and Assignment;

(i) in or towards payment or discharge of any amounts due and payable by the Issuer on such Interest Payment Date to:

(A) *pro rata* and *pari passu*, the Trustee and any receiver appointed under the Deed of Charge and Assignment; then

(B) *pro rata* and *pari passu*, any amounts due and payable by the Issuer to (a) the Paying Agents and the Agent Bank under the Agency Agreement, (b) the Cash Manager under the Cash Management Agreement, (c) the Operating Bank under the Cash Management Agreement, (d) the Corporate Services Provider under the Corporate Services Agreement, (e) the Servicer and the Special Servicer (including any amounts due to the Special Servicer in respect of the Special Servicing Fee, any Liquidation Fee and any Workout Fee) pursuant to the Servicing Agreement and (f) the Liquidity Facility Provider under the Liquidity Facility Agreement other than in respect of a Liquidity Subordinated Amount; and then

(ii) in or towards payment or discharge of sums due to third parties (other than payments made to any third party as described in "*Priority Amounts*" above) under obligations incurred in the Issuer's business, including provision for any such obligations expected to come due in the following Interest Period and the payment of the Issuer's liability (if any) to value added tax and to corporation tax;

(iii) in or towards payment or discharge of interest due and interest overdue (and any interest due on such overdue interest) on the Class A Notes;

(iv) in or towards payment or discharge of interest due and interest overdue (and any interest due on such overdue interest) on the Class B Notes;

(v) in or towards payment or discharge of interest due and interest overdue (and any interest due on such overdue interest) on the Class C Notes;

(vi) in or towards payment or discharge of interest due and interest overdue (and any interest due on such overdue interest) on the Class D Notes;

(vii) in or towards payment or discharge of any amounts (i) in respect of increased costs, mandatory costs or tax gross up amounts payable to the Liquidity Facility Provider to the extent that such increased costs, mandatory costs or tax gross up amounts payable to the Liquidity Facility Provider exceed 0.125 per cent. per annum of the commitment provided under the Liquidity Facility Agreement; and/or (ii) in respect of any increase in the commitment fee payable to the Liquidity Facility Provider as a result of the imposition of increased costs directly attributable to the implementation of the Capital Requirements Directive to the extent that such increase exceeds 0.125 per cent. per annum of the commitment provided under the Liquidity Facility Agreement (the amounts owing under this item (vii) being together the "**Liquidity Subordinated Amount**" in respect of such Interest Payment Date);

(viii) in repaying principal on the Most Senior Class of Notes then outstanding in an amount equal to the amount of the Borrower Principal Receipts previously applied by the Issuer towards the payment of Priority Amounts less the amount of Available Interest Receipts previously applied in accordance with this item (viii);

(ix) in or towards payment or discharge of those parts of Deferred Consideration described in (a) and (b) of "*The Loans and the Loan Security – Acquisition of the Loans – Consideration*"; and

(x) any surplus to the Issuer.

Payments out of the Issuer Transaction Account - Post-Enforcement of the Notes

The Issuer Security will become enforceable upon the Trustee delivering a Note Enforcement Notice. Following enforcement of the Issuer Security by the Trustee declaring the Notes to be due and payable, the Trustee shall, to the extent that such funds are available, make payments in the following order of priority (the "**Post-Enforcement Priority of Payments**") (in each case only if and to the extent that the payments of a higher priority have been paid in full), and subject to applicable law:

(i) *pro rata* (a) the remuneration payable to the Trustee and any costs, charges, liabilities and expenses (plus value added tax, if any) incurred by it under the provisions of or in connection with any of the Transaction Documents (including any amounts paid in respect of indemnity protection); (b) all amounts payable to any receiver or other similar agent of the Issuer appointed under the Deed of Charge and Assignment;

(ii) *pro rata* and *pari passu*, any amounts due and payable by the Issuer to (a) the Paying Agents and the Agent Bank under the Agency Agreement; (b) the Cash Manager and the Operating Bank under the Cash Management Agreement; (c) the Corporate Services Provider under the Corporate Services Agreement; (d) the Servicer or Special Servicer under the Servicing Agreement and all fees, costs and expenses and other sums (if any) payable to any substitute servicer or special servicer; (e) to the Liquidity Facility Provider under and in accordance with the Liquidity Facility Agreement (other than in respect of a Liquidity Subordinated Amount);

(iii) all amounts payable on the Class A Notes;

(iv) all amounts payable on the Class B Notes;

(v) all amounts payable on the Class C Notes;

(vi) all amounts payable on the Class D Notes;

(vii) to the Liquidity Facility Provider in respect of a Liquidity Subordinated Amount under and in accordance with the Liquidity Facility Agreement;

(viii) any Deferred Consideration; and

(ix) the surplus (if any) to the Issuer or any other person entitled to the surplus.

The Liquidity Facility Provider will receive any monies owed to it in relation to an outstanding Loan Swap Advance upon the delivery of a Note Enforcement Notice prior to the Trustee making any payments in accordance with the Post-Enforcement Priority of Payments if such Note Enforcement Notice has been delivered in respect of an Event of Default which is not related to an insolvency matter concerning the Issuer in accordance with Condition 10(a) (iii), (iv) and/or (v) of the Notes. Where an insolvency matter has occurred concerning the Issuer in accordance with Condition 10(a) (iii), (iv) and/or (v) of the Notes, such amounts due to the Liquidity Facility Provider in relation to an outstanding Loan Swap Advance will be paid in accordance with the Post-Enforcement Priority of Payments.

Upon enforcement of the Issuer Security, the Trustee will have recourse only to the rights of the Issuer to the Loans and the Loan Security and all other assets constituting the Issuer Security. Other than (a) as provided in the Loan Sale Agreement for material breach of warranty in relation to the Loans and, in certain limited circumstances, the Loan Security (as to which, see further "*The Loans and the Loan Security — Representations and Warranties*") and breach of other provisions specified in the Loan Sale Agreement, and (b) in relation to the Servicing Agreement and the Subscription Agreement for breach of the obligations of the Originator, the Issuer and/or the Trustee will have no recourse to the Originator.

The terms on which the Issuer Security will be held will provide that, upon enforcement, certain payments (including all amounts payable to any receiver and the Trustee, all amounts due to the Servicer, the Special Servicer, the Corporate Services Provider, the Operating Bank, the Paying Agents, the Agent Bank and all payments due to the Liquidity Facility Provider under the Liquidity Facility (other than in respect of any Liquidity Subordinated Amount specified in "*Application of Available Interest Receipts*") will be made in priority to payments in respect of interest and principal on the Class A Notes. Upon enforcement of the Issuer Security, all amounts owing to the Class A Noteholders will rank higher in priority to all amounts owing to the Class B Noteholders, all amounts owing to the Class B Noteholders will rank higher in priority to all amounts owing to the Class C Noteholders and all amounts owing to the Class C Noteholders will rank higher in priority to all amounts owing to the Class D Noteholders.

If the Trustee determines, in its sole opinion and discretion, that all amounts outstanding under the Notes have become due and payable, all available funds have been distributed, and that there is no reasonable likelihood of there being any further realisations (whether arising from an enforcement of the Issuer Security or otherwise) available to pay amounts outstanding under the Notes, PECO will have the option to purchase all Notes then outstanding for a consideration of one penny in respect of each Note (a "**Post-Enforcement Call Option**") (see "*PECO*" and Condition 6 below).

RISK FACTORS

The following is a summary of certain issues of which prospective Noteholders should be aware, but it is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this document and review the related documents referred to herein and reach their own views prior to making any investment decision.

FACTORS RELATING TO THE LOANS

Default by Borrowers

The ability of the Issuer to meet its obligations under the Notes will be dependent on the receipt by it of funds from the Borrowers under the Loans and the Loan Security and, where necessary and applicable, the Liquidity Facility under the Liquidity Facility Agreement. If, on default by the Borrowers and following the exercise by the Servicer or the Loan Security Trustee, as the case may be, of all available remedies in respect of the Loans, the Issuer does not receive the full amount due from the Borrowers, then Noteholders (or the holders of certain classes of Notes) may receive by way of principal repayment an amount less than the face value of their Notes and the Issuer may be unable to pay interest due on the Notes in full. The Issuer does not guarantee or warrant full and timely payment by the Borrowers of any sums.

The Credit Agreement contains provisions requiring each Borrower to make a final repayment of principal on the Final Maturity Date. The Borrower's ability to repay its Loan on the Final Maturity Date will be dependent upon its ability to refinance its Loan or the Borrower's or Mortgagor's ability to sell the Property providing security for that Loan. None of the Borrowers, the Issuer or the Originator is under any obligation to provide any such refinancing and there can be no assurance that a Borrower would be able to refinance its Loan or that a Borrower or Mortgagor would be able to sell its Property.

Failure by a Borrower to refinance the relevant Loan or by the Borrower or Mortgagor to sell its Property at final maturity may result in such Borrower defaulting on such 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 face value of their Notes and the Issuer may be unable to pay interest due on the Notes in full.

An insolvency of any Borrower would result in a Loan Event of Default under the Credit Agreement giving rise to an acceleration of the Loans and an enforcement of the Loan Security. In the event of such a default, the Issuer may be unable to pay to the Noteholders, or the holders of certain classes of Notes, (a) by way of principal repayment, the entire face value of their Notes and (b) by way of interest payment, the full amount due on the Notes.

Limited Payment History

Each of the Loans was originated in September 2005 (as amended and restated for the transaction on 14 March 2006). 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. In addition, two of the Borrowers acquired their related Properties or acquired units in a unit trust that held the Properties, contemporaneously with the origination of their respective Loan. Accordingly, there is a risk that the net cash flow of such Properties may vary from the cash flow generated by the Properties under prior ownership and management. However, it should be noted that all the existing tenants of the Properties (from whom the cash flows used by the Borrowers to pay the Lenders under the Loans are derived) have been the tenants of the Properties for at least 10 years, and have a long-standing payment history. In addition, so far as the Originator is aware, there have been no material arrears in recent years.

Cross – Default Provisions of the Loans under the Credit Agreement

Each Loan under the Credit Agreement contains cross-default provisions with the other Loans. Accordingly, if any Borrower defaults under its Loan, and provided the Agent has issued a notice in relation to the other two Loans, this shall cause the remaining Loans to default and, unless remedied, will cause a Loan Event of Default.

Upon the occurrence of a Loan Event of Default, the Loan Security Trustee and the agent for the Lenders (the "**Agent**") may do any of the following:

(a) cancel any one or more of the Loans and require any one or more Borrowers immediately to repay any one or more Loans together with accrued interest and all other sums payable under the Credit Agreement; or

(b) place any one or more of the Loans on demand whereupon the relative Loan or Loans together with accrued interest and all other sums payable under the Credit Agreement shall become repayable on demand made by the Agent; or

(c) waive the event of default in writing.

Such cross-default provisions of the Loans may therefore increase the likelihood that, if one Loan defaults, one or both of the other Loans will default as well.

Cross – Collateralisation of the Loans under the Credit Agreement

Each Loan under the Credit Agreement is cross-collateralised with the other Loans. Each Borrower has jointly and severally agreed with every other Borrower irrevocably and unconditionally to guarantee to each Lender, Agent, the Loan Security Trustee and any Loan Swap Counterparty the punctual performance by each other Borrower of all of their obligations under the Credit Agreement. Where a Borrower does not pay an amount due under the Credit Agreement, each of the other Borrowers must immediately on demand from time to time by the Agent pay such amount as if it were the principal debtor.

This means that a non-defaulting Borrower may be required to pay an amount to a Lender due from a defaulting Borrower and therefore increase its payment obligations under the Credit Agreement. If such Borrower has insufficient funds to pay additional amounts required, it may be unable to pay the debt and this could in turn lead to the occurrence of a Loan Event of Default.

Other Indebtedness, Liabilities and Financing

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

The Credit Agreement places restrictions upon the ability of the Borrowers to incur additional debt, on either a secured or unsecured basis, without the consent of the relevant Lender or Agent.

The Senior Loans which have been retained by its Originator shall be sold to the Issuer on the Closing Date. The Junior Loans are held by the Junior Lender. The priority between the Senior Loans and the Junior Loans is regulated by the Intercreditor Agreement.

Pursuant to the Intercreditor Agreement, the right of the Junior Lender to receive payments with respect to the Junior Loans is subordinate to the payment rights of the Issuer with respect to the related Senior Loan. In all cases, the Junior Lender may not take any enforcement action without the prior consent of the Loan Security Trustee. In some cases, the Junior Lender has the right to cure certain defaults. For further information see "*The Intercreditor Agreement*" below.

Each Borrower has also incurred intra-group indebtedness in favour of its shareholders and/or associated companies. This indebtedness is unsecured and fully subordinated and postponed to both Senior Loans and Junior Loans pursuant to a separate subordination agreement.

The Properties - General

The Loans are secured by, among other things, the Mortgages over the relevant Property or Properties. The repayment of each Loan in part may be, and the payment of interest on each Loan is, dependent on the ability of the applicable Properties to produce cash flow. However, the income-producing capacity of the Properties may be adversely affected by a large number of factors. Some of these factors relate specifically to a Property itself, such as: (i) the age, design and construction quality of the Property; (ii) perceptions regarding the safety, convenience and attractiveness of the Property; (iii) the proximity and attractiveness of competing properties; (iv) the adequacy of the Property's management and maintenance; (v) an increase in the capital expenditure needed to maintain the Property or make improvements; (vi) a decline in the financial condition of a major tenant and the creditworthiness generally of tenants; (vii) a decline in rental rates as leases are renewed or entered into with new tenants; and (viii) the length of tenant leases.

Other factors are more general in nature, such as: (i) national, regional or local economic conditions (including industry slowdowns and unemployment rates); (ii) local property conditions from time to time (such as an oversupply or undersupply of retail or office space); (iii) demographic factors; (iv) consumer confidence; (v) consumer tastes and preferences; (vi) retrospective changes in building codes or other regulatory changes; (vii) changes in governmental regulations, fiscal policy, planning/zoning or tax laws; (viii) potential environmental legislation or liabilities or other legal liabilities; (ix) the availability of refinancing; and (x) changes in interest rate levels.

In particular, a decline in the property market or in the financial condition of a major tenant 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 or others not specifically mentioned above 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 the relevant Borrower to default on its Loan, reduce the chances of a Borrower refinancing a Loan or reduce a Borrower/Mortgagor's ability to sell a Property at a required price.

The Properties - Offices

The Loan Pool is comprised of office properties. The income from and market value of an office property, and a borrower's ability to meet its obligations under a loan secured by an office property, are subject to a number of risks. In particular, a given property's age, condition, design, access to transportation and ability to offer certain amenities to tenants, including sophisticated building systems (such as fibre-optic cables, satellite communications or other base building 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 and 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 and access to public transportation and major roads. 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, changes in local and regional population patterns, sharing of office space and employment growth together with other related factors also affect the demand for and operation of office properties. In addition, an economic decline in the businesses operated by tenants can affect a building and cause one or more significant tenants to cease operation 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.

Any one or more of the above described factors, amongst others, 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 the relevant Borrower to default on its Loan, reduce the chances of a Borrower refinancing a Loan or reduce a Borrower/Mortgagor's ability to sell a Property at a required price or at all.

No assurance can be given that tenants in the Properties will continue making payments under their leases or that any such tenants will not become insolvent or subject to administration in the future or, if any such tenants become subject to administration, that they will continue to make rental payments in a timely manner. In addition, a tenant may, from time to time, experience a downturn in its business, which may weaken its financial condition and result in a failure to make rental payments when due. If a tenant, particularly a major tenant, defaults in its obligations under its occupational lease, the applicable Borrower may experience delays in enforcing its rights as lessor and may incur substantial costs and experience significant delays associated with protecting its investment, including costs incurred in renovating and re-letting the relevant Property.

For further information relating to the Properties see "*Appendix 1 – The Borrowers*".

No Independent Investigation/Reliance on Warranties

None of the Issuer, the Trustee or the Managers has undertaken or will undertake any investigations, searches or other actions to verify the details of the Loans or the Loan Security or to establish the creditworthiness of any Borrower. Due diligence was undertaken and valuations were obtained prior to the origination of the relevant Loans (see "*The Loans and the Loan Security— Loan Origination Procedure*"). No further due diligence will be undertaken in relation to the Loans and no further or updated valuations will be obtained in connection with the sale and purchase of the Loans. The reports issued by the valuers or solicitors in respect of the Properties are addressed to and may be relied upon by the Originator and Loan Security Trustee only. The benefit of such reports will not be assigned to the Issuer. The Issuer will instead rely solely on the warranties given by the Originator in respect of such matters in the Loan Sale Agreement.

If any breach of warranty relating to the Loans and the Loan Security is material and (if capable of remedy) is not remedied, the Issuer may require the Originator to repurchase any relevant Loan together with the relevant Loan Security. However, this does not limit any other remedies available to the Issuer if the Originator fails to repurchase a Loan and the related Loan Security when obliged to do so.

Asset Management

The asset management of all of the Properties is undertaken by the same property management entity that has common ownership. Accordingly, to the extent that such senior asset management executives change, are no longer able to carry out their current duties or otherwise devote less of their time to the overall management of the Properties such Properties may be adversely affected. However, in the case of each such Property, the day-to-day property management is the responsibility of the tenants.

Managing Agents

The net cash flow realised from and/or the residual value of the Properties may be affected by management decisions. While the managing agents for each of the Properties are experienced in managing office property, there can be no assurance that decisions taken by them or by a future managing agent and/or property manager will not adversely affect the value and/or cash flows of the Property.

Capital Improvements to Properties

In the event that the relevant Borrower or Mortgagor fails to pay the costs for work completed or materials delivered in connection with any capital improvements, such Borrower or Mortgagor 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 a negative effect on net income. The Credit Agreement and Loan Security, however prohibit the Borrowers from undertaking any such material works without the consent of the Lender/Agent.

Risks relating to Loan Concentration

In relation to any pool of loans, loan losses will be more severe: (i) if the pool is comprised of a small number of loans, each with a relatively large principal amount; or (ii) if the losses relate to loans that account for a disproportionately large percentage of the pool's aggregate principal balance outstanding. As there are only three underlying Loans, losses on any Loan may have a substantial adverse effect on the ability of the Issuer to make payments under the Notes. In addition, the Properties are concentrated in one geographic area. This may increase the risk that adverse economic or other developments or a natural disaster affecting that area could increase the frequency and severity of losses on the Loans secured by the Properties. Details of the location of the Properties are set out in "*The Loan Pool*" below.

Assignment of Loans to Issuer

The provisions of the Credit Agreement require the Issuer as assignee of the loan to confirm to the Agent and, where applicable, the other Lenders that it is under the same obligations in relation to the Credit Agreement as if it was an original lender. Until such confirmation has been given, the Agent in relation to each such Loan is not obliged to recognise the assignee as having any rights. The Lenders, however, have no material outstanding obligations under the Credit Agreement since the Loans are all fully drawn and there is no obligation to make any further advance.

Borrower Indemnity

In relation to all Loans, the Borrower is only obliged to make additional payments (for example a gross-up obligation) to the Issuer to the extent that it would have been obliged to make such payments to the Originator if the assignment had not occurred. The same principle applies if the Lender (including the Issuer) changes its lending office and such change gives rise to an obligation to make additional payments.

It is not anticipated that there will be any circumstances existing at the date of the assignment to the Issuer that would give rise to such an obligation to make additional payments and the provision is not considered by the Originator to be material in the context of the transaction. The position cannot be anticipated in future circumstances where the Issuer might assign its interest in the relevant Loan to a third party, and the extent to which this provision might affect the range of possible potential assignees.

Yield and Prepayment Considerations

The yield to maturity of the Notes of each class will depend on, among other things, the amount and timing of payment of principal (including prepayments, Release Amounts, sale proceeds arising on enforcement of Loan Security and repurchases due to breaches of representations and warranties) on the Loan and the price paid by the holders of the Notes. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayments on the Loans.

The rate of prepayment of Loans cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the commercial property market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurances can be given as to the level of prepayment that the Loan Pool will experience.

A high prepayment rate in respect of the Loans will result in a reduction in interest receipts on the Loans by the Issuer and therefore may result in a shortfall in the monies available to be applied by the Issuer in making payments of interest on the Notes as a result of the Issuer still being required to pay certain payments prior to any payment of interest on the Notes. The prepayment risk will, in particular, be borne by the holders of the most junior classes of Notes then outstanding.

In accordance with the Credit Agreement, in the event that a Borrower repays or prepays a Whole Loan early, a Release Amount equalling 113 per cent. of the principal amount originally advanced of the Whole Loan shall be paid by the Borrower in or towards repayment or prepayment of the relevant Whole Loan and the other outstanding Whole Loans in accordance with the Post-Enforcement/Property Sale or Whole Loan refinancing waterfall and the terms of the Intercreditor Agreement (see "*The Intercreditor Agreement*" on page 68 below). Such release amount mechanism may therefore mean that a Borrower has less flexibility as to when it is able to sell its Property and prepay a Whole Loan.

Collection Accounts

The position in relation to the establishment of the Collection Accounts pursuant to the loan documentation is set out below (see "*The Loans and the Loan Security - Secured Accounts*" on page 59 below).

The collection accounts of each Borrower are held by SG Hambros Bank (Channel Islands) Limited (a Jersey subsidiary of SG) (the "**Collection Accounts**") and are the subject of separate security arrangements governed by Jersey law. Under the Credit Agreement, the Loan Security Trustee (including any delegate) or Agent has sole signing rights over such Collection Accounts and therefore control over the accounts. There are no provisions in the Credit Agreement permitting the Loan Security Trustee or Agent to relinquish such control or indeed for the relevant Borrower or Mortgagor to assume signing rights and control over such Collection Accounts prior to repayment of the relative Loans.

Pursuant to the Servicing Agreement, the Servicer must request a change of bank for the Collection Accounts if SG loses control (no longer holds, directly or indirectly, greater than 51 per cent. of the voting rights) in SG Hambros Bank (Channel Islands) Limited or if SG falls below the Requisite Rating for SG Hambros Bank (Channel Islands) Limited to be the bank in respect of a Collection Account. Any replacement bank for the Collection Accounts must have the Requisite Rating in order for it to be appointed as the relevant account bank.

Rent Assignments

Each Loan requires an assignment of rents payable under any lease to which a Property is subject. In such cases (and where no receiver has been appointed and the mortgagee is not in possession), in England and Wales, notice of the assignment is not normally given to the tenant and, the assignment will take effect as an equitable assignment only. Accordingly, the assignment will be subject to any equities or claims, such as rights of set-off between the landlord and the relevant tenant. Where no notice has been given to the relevant tenant, there is also a risk of the Borrower or Mortgagor charging or assigning the rents to a third party, despite the Borrower's or Mortgagor's covenant not to do so. In such case, until formal notice of such assignment is given or until the relevant mortgage is enforced in respect of the relevant Property, any monies previously paid to the holder of such subsequent charge or assignment may rank ahead of any assignment pursuant to the Loan or prior to notice being given to the tenant of that assignment.

The Tenants and Landlord's Liability to Provide Services

A Borrower's ability to make payments under a Loan where the Property is let to tenants will generally be dependent on the receipt of rental income from tenants. If a Borrower or Mortgagor is in default of its obligations as landlord, a right of set-off against rental obligations could be exercised by a tenant, notwithstanding that the terms of many of the tenancies specifically exclude such tenants' right of set-off. The terms of the Leases affecting the Properties impose prime responsibility for repairs and maintenance on the relative occupational tenant and the obligations on each Borrower and Mortgagor (as landlord) in this respect are accordingly low.

Headlease Rent Payments

Where a Property is held by a Borrower or a Mortgagor under the terms of a lease, there is a risk of the rents payable pursuant to the occupational underleases being diverted to a superior landlord by a notice under Section 6 of the Law of Distress Amendment Act 1908 if the Borrower fails to pay the relevant headlease rent. In each such case the amounts should not, however, reduce the amount that would otherwise have been available to the Borrower to make payments under the Loan, since payments under any such headlease would in any event have been payable to a superior landlord prior to payment to the Issuer. Under the terms of the Credit Agreement the Loan Security Trustee has the power to withdraw monies standing to the credit of the relative Collection Account and apply such in or towards payment of such rents. Both the Victoria Embankment Property and the Millennium Bridge Property (but not the Prime Locations Property) are held pursuant to a headlease. See "*Appendix 1 – The Borrowers*" for further details of such headlease.

Compulsory Purchase

Any property in the United Kingdom may at any time be compulsorily acquired by, amongst other entities, a local or public authority or a governmental department, generally in connection with proposed redevelopment or infrastructure projects. No such compulsory purchase proposals have been revealed in any of the certificates of title issued in relation to the Properties.

However, if 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 open market value of all of the relevant Borrower's or Mortgagor's and the tenants' proprietary interests in the Property at the time of the purchase (following which tenants would cease to be obliged to make any further rental payments to the Borrower or Mortgagor under the relevant tenancy, or rental payments would be reduced to reflect the compulsory purchase of a part of a Property). Following payment of compensation, the Borrower will be required to prepay an equivalent amount under the Credit Agreement and the prepayment will be used by the Issuer to redeem the Notes (in whole or 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.

A further consideration is that there is often a delay between the compulsory purchase of a property and the payment of compensation (although interest will be payable from the date upon which the acquiring authority takes possession of the property), which will largely depend upon the ability of the property owner and the entity acquiring the property to agree on the open market value of the property. Such a delay may, unless the 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 supervening 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 a Property is frustrated this could operate to have an adverse effect on the income derived from, or able to be generated by, a particular Property which could cause the relevant Borrower to default under the Credit Agreement.

Insurance

In the case of the Prime Locations Property and the Millennium Bridge Property, the interest of the Loan Security Trustee has been noted on the relative insurance policy. In the case of the Victoria Embankment Property, the occupational tenant is responsible for insuring the Property and, although details of the policy maintained by it have been disclosed, the tenant has declined to allow the interest of the Loan Security Trustee to be noted. Given the status of the tenant in this case, and the fact that it remains liable for all repairs and for payment of rent notwithstanding damage by any insured risks, the Originator considers the position acceptable. For further information with regard to the Victoria Embankment Property, see "*The Loans and The Loan Security – 7. Insurance*" on page 58 below and "*Appendix 1 – Part 2 – "The Victoria Embankment Property"*" on page 142 below.

Noting a party's interest on a policy does not entitle that party to a share in the proceeds, although it is generally the practice for insurers in the United Kingdom to notify the party whose interest is noted if the policy lapses.

On the Closing Date, the Issuer will acquire, amongst other things, beneficial interests in the Loan Security (which includes the Loan Security Trustee's interests in the buildings insurance policies), which will form part of the Issuer Security secured under the Deed of Charge and Assignment in favour of the Trustee for the benefit of, amongst others, the Noteholders. For the reasons described above, the ability of the Loan Security Trustee to make a claim under the relevant buildings insurance policies is not certain.

Under some of the Loans, the building insurance policies must be provided by approved insurance providers if the relevant Property insurance policy in place expires and a new policy is entered into.

In the case of the Prime Locations Loan, an associated company of the tenant is itself responsible for organising the insurances of the Property. In this case, the Borrower has represented and warranted in the Credit Agreement that the insurance policy for the Property shall be provided by an approved insurance provider.

Hedging risks

The Credit Agreement contains an obligation on the Borrowers to enter into hedging arrangements for the duration of the relevant Loan as the interest on the Loan is payable by the Borrowers at a floating rate, whilst income received by the Borrowers or Mortgagors is received out of rental payments that are at fixed rates. The interest rate hedging arrangements in relation to the Loans are in the form of interest rate swaps.

However, in certain circumstances, the hedging arrangements may be terminated and as a result the Borrower may be unhedged if replacement hedging arrangements cannot be entered into. In particular, the Lender may suffer a loss if one or more of the hedging arrangements is terminated and the Borrower is, as a result of such termination, required to pay amounts upon termination to the Loan Swap Counterparty. In these circumstances, the amounts paid to the Loan Swap Counterparty are not available to the Lender. Any liquidity provided by way of a Loan Swap Advance from the Liquidity Facility Provider shall be to cover operational delays in the timing of payments required to be made into the Tranching Account two Business Days before an Interest Payment Date rather than to cover any payments due to the termination of any hedging arrangements (see "*Credit Structure*" – "*1. Liquidity and Credit Risk*" on page 98).

Until the relevant maturities of the Loans, sums due to the Loan Swap Counterparty by the Borrower rank *pari passu* with sums due to the Senior Lender. There is therefore a risk that: (i) where a partial payment of interest or principal is received from a Borrower the amount of interest or principal paid to Noteholders will be reduced; or (ii) on an enforcement of the Loan the amount available to Noteholders will be reduced to the extent that breakage or other costs are due to the relevant Loan Swap Counterparty.

Each of the Loans provide for amortisation payments to be made prior to the Final Maturity Date. The amortisation profiles of the hedging arrangements entered into by each Borrower do not exactly match the amortisation profile of each Loan because the amortisation of the Loans includes a cash sweep mechanism (that cannot be precisely determined) which increases the principal received by the Borrowers in respect of the Loans to a greater amount than originally contracted. In addition, there may be other events that impact on cash flows which may result in a mismatch of the amortisation profiles. As a result, the Loans may at times be over or under-hedged during the life of the transaction.

The hedging arrangements entered into by the Borrowers for the Victoria Embankment and Millennium Bridge Loans are due to expire on 9 September, 2010 shortly before the legal maturity of the Loans on 18 October, 2010 (the hedging arrangements for the Prime Locations Loan are due to expire on 26 January, 2012). There is therefore a short period during which time two of the Loans are unhedged. During this time, the Borrowers would not have the benefit of Loan Swap Agreements which could lead to the Borrowers being unable to pay the required amounts owed to the Lenders under the Credit Agreement.

Privity of Contract

The occupational leases in respect of the Properties as at the Closing Date were entered into before 1 January, 1996 and the original tenants will therefore remain liable under these leases 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 lease and would give an appropriate indemnity in respect of those liabilities to his predecessor in title, and thus create a "chain of indemnity".

There can, however, be no assurance that any assignee of a lease of premises within 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.

Statutory Rights of Tenants

In certain limited circumstances, tenants of a property may have legal rights to require the landlord of that property to grant them tenancies, for example pursuant to the Landlord and Tenant Act 1954 or the Landlord and Tenant (Covenants) Act 1995. Should such a right arise, the landlord may not have its normal freedom to negotiate the terms of the new tenancy with the tenant, such terms being imposed by the court or being the same as those under the previous tenancy of the relevant premises. 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 and there can be no guarantee as to the terms on which any such new tenancy will be granted.

Environmental Risks

Certain existing environmental legislation imposes liability for clean-up 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 the clean up costs incurred.

If any environmental liability were to exist in respect of any Property, none of the relative Borrower, Mortgagor or the Loan Security Trustee should incur responsibility for such liability prior to enforcement of the relevant Loan Security, unless it could be established that the relevant party had entered into possession of the affected Property or could be said to be in control of the Property. After enforcement, the Loan Security Trustee, if deemed to be a mortgagee in possession or a receiver appointed on behalf of the Loan Security Trustee, could become responsible for environmental liabilities in respect of a Property. The Loan Security Trustee may be indemnified against any such liability under the terms of the Credit Agreement, and amounts due in respect of any such indemnity may be payable in priority to payments to the relevant Lenders, 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 the Property or in a reduction in the price obtained for the 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 the Property could result in personal injury or similar claims by private plaintiffs.

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.

Mortgagee in Possession Liability

The Issuer or the Loan Security Trustee 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, such as submitting a demand or notice direct to tenants requiring them to pay rents to the Loan Security Trustee or the Issuer (as the case may be). In a case where it is necessary to initiate enforcement procedures against a Borrower, the Loan Security Trustee is likely to appoint a receiver to collect the rental income on behalf of itself or the Issuer (as the case may be) which should reduce the risk that the Loan Security Trustee or the Issuer is deemed to be a mortgagee 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 may be liable to a tenant for any mis-management of the relevant property. A mortgagee in possession may also incur liabilities to third parties in nuisance and negligence and, under certain statutes (including environmental legislation), can incur the liabilities of a property owner.

Risks relating to Conflicts of Interest

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

There are no restrictions on either the Servicer or the Special Servicer 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 markets as the Properties. Consequently, personnel of the Servicer or the Special Servicer, as the case may be, may perform services on behalf of the Issuer with respect to the 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 Servicer and the Special Servicer to perform their respective servicing obligations in accordance with the terms of the Servicing Agreement, such other servicing obligations may pose inherent conflicts for the Servicer or the Special Servicer.

The Servicing Agreement requires the Servicer and the Special Servicer to service the Loans for which they are responsible in accordance with the Servicing Standard. Certain discretions are given to the Servicer and the Special Servicer in determining how and in what manner to proceed in relation to the Loans. Further, as the 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, and the holder of that class may have interests which conflict with the interests of the holder of the senior Notes.

Appointment of Substitute Servicer

Prior to or contemporaneously with any termination of the appointment of the Servicer, it would first be necessary for the Issuer to appoint a substitute Servicer approved by the Trustee. The ability of any substitute Servicer to administer the loan portfolio 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 loan portfolio at a commercially reasonable fee, or at all, on the terms of the Servicing Agreement (even though this agreement provides 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 performing services in this way would be payable in priority to payment of interest under the Notes.

Security Assets outside England and Wales

Where a company has assets situated outside England and Wales which are subject to English security, the ability to enforce such security over those assets would be subject to any local law restrictions. In particular it should be noted that a number of foreign law jurisdictions do not recognise the concept of a floating charge and such security may therefore not be effective to create security over assets situated outside England and Wales.

Save in respect of the security over the Jersey Accounts, charges over shares in companies incorporated outside England and Wales and charges over the units in the VE Unit Trust, which are the subject of specific collateral security taken in accordance with the terms of the laws of the Jersey, all material assets of the Borrowers/Mortgagors are believed to be located within England and Wales.

Changes to the Portfolio

Unless specified otherwise, information with respect to the Loans relates to the Loans as at the Cut-off Date, being 1 March, 2006. However, the outstanding aggregate principal amount of the Loans on the Cut-Off Date may, as a result of prepayment of the Loans, decline prior to the Closing Date.

Limited Partnerships

Prime Locations is a limited partnership, formed pursuant to the Limited Partnership Act 1907. Under this Act, the person or persons who are registered as general partners of a limited partnership are liable for all debts and obligations of the partnership and the person or persons who are limited partners are generally not liable for the debts or obligations of the partnership beyond the sum of capital or property that the limited partners agreed to contribute on entering into the partnership. The principal exception to the above is where a limited partner takes part in the management of the partnership business in which circumstances the limited partner will, pursuant to Section 6 of the Act, become liable for all debts and obligations of the limited partnership incurred while the limited partner so acts as though the limited partner were a general partner. Limited partnerships registered in England and Wales do not have a legal personality separate from their partners.

Unit Trusts

The Victoria Embankment Property is held by two (independent) trustees (both limited companies incorporated in Jersey) on behalf of the unitholders from time to time in a unit trust constituted in Jersey known as The Victoria Embankment Unit Trust (the "**VE Unit Trust**"). Where property is held in a unit trust in this manner, the legal and beneficial interests in the property are held by the trustees on behalf of the unitholders, who (subject to operating expenses and other usual costs and liabilities relating to the property) are entitled to the full net rental income arising and the full net proceeds of sale of the property upon a disposal of the same. The unitholders accordingly collectively hold the entire economic interest in the property.

The trustees of VE Unit Trust charged the Victoria Embankment Property by way of legal mortgage to the Loan Security Trustee and Victoria Embankment has charged its units by way of further collateral security. In an enforcement situation, therefore, the Loan Security Trustee would have the option of effecting a disposal of the whole economic interest in and benefit of the Victoria Embankment Property either by means of a sale of the Units (preserving the existing unit trust structure) or by effecting a sale through its power of sale (which would in practice lead to the VE Unit Trust being liquidated).

Administrators

In the case of Loans to corporate Borrowers, the Servicer or the Special Servicer could, after the security granted by the Borrower/Mortgagor has become enforceable (and subject to the terms of the Intercreditor Agreement), direct the Loan Security Trustee to appoint an administrator of the relative Borrower/Mortgagor under the Insolvency Act 1986 (as amended by the provisions of the Enterprise Act 2002).

An administrator is required to have regard to the interests of all creditors, both secured and unsecured. The purpose of any administration would be to rescue the company or, where such is not reasonably practicable, to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up or, where neither of the above purposes are reasonably practicable, to realise the company's assets to make a distribution to the secured and/or preferential creditors. These purposes could conflict with the wishes or interests of the Noteholders.

The holder of a valid and enforceable first-ranking floating charge over the whole or substantially the whole of a company's property will, if the charge so provides, be able to appoint an administrator of its choice, and is entitled to notice of, and to make representations to the court with regard to, any application for the appointment of an administrator by any other person. The appointment can be made without going to court unless a winding up order has previously been made or a provisional liquidator appointed.

By virtue of the Insolvent Partnership Order 1994 (the "**1994 Order**"), the Insolvency Act 1986 applies to an insolvent English partnership, subject to the modifications set out in the 1994 Order. The Insolvency Act 1986 together with the 1994 Order provides a mechanism whereby an insolvent partnership may be put into administration rather than be statutorily wound up i.e. the affairs and business of the partnership and the partnership property are managed by an administrator appointed for the purpose by the court.

However, whilst partnerships have access to administration procedures which mirror the old Part II of the Insolvency Act 1986, the reforms of the Enterprise Act 2002 do not currently apply to partnerships (although it is possible that the 1994 Order may be amended to allow partnerships access to the new administration procedures). Accordingly, the Loan Security Trustee could not appoint an administrator to the partnership – this could only be done by court order. The effect of an administration order is, amongst other things, to impose a moratorium so that any winding up petition must be dismissed and no steps may be taken to enforce any security over the partnership property. It directs that the affairs and business of the partnership and the partnership property should be managed by the administrator. During the period of an administration order (i) no order may be made for the winding up of the partnership, (ii) no order may be made on the joint petition for bankruptcy of the members as such, (iii) the court may not decree a dissolution of the partnership under the statutory provisions in the Partnership Act 1890, and (iv) most enforcement proceedings including execution and repossession of goods are barred save with the leave of the court.

The appointment of an administrator in respect of a Borrower would preclude the appointment of any receiver over the whole on any part of such Borrower's assets.

Receivers

Pursuant to the Servicing Agreement, the Servicer and the Special Servicer are required, in accordance with the Servicing Standard, to maximise the recovery of amounts due from the Borrowers and to comply with their respective procedures for enforcement of Loans and Loan Security current from time to time (see "*Loan Servicing*" below). The remedies available following a Loan Event of Default or default under the related Loan Security include, but are not limited to, the appointment of a receiver over the relevant Property and/or other assets of the relative Borrower and/or Borrowers or Mortgagor(s), and/or entering into possession of the relevant Property or Properties. The Special Servicer has confirmed to the Issuer and the Trustee that, if enforcement of the Loan Security in respect of a Loan is necessary, its usual procedure for enforcing security would be to direct the Loan Security Trustee to appoint a "Law of Property Act" or "Non-Administrative" receiver. Any such receiver would usually require an indemnity to meet his costs and expenses (which would rank ahead of payments on the Notes) as a condition of his appointment.

Any such receiver is deemed by law to be the agent of the person or company providing security until the appointment of a trustee in bankruptcy or liquidator and, for so long as the receiver acts within his powers, he will only incur liability on behalf of the person or company providing the security. However, if the Loan Security Trustee or the Servicer unduly directs, interferes with or influences the receiver's actions, the Loan Security Trustee or the Servicer may be held to be responsible for the receiver's acts.

Receivership of Issuer

It is possible for a floating charge holder to appoint an administrative receiver in relation to certain capital market arrangements. Any such arrangement must involve a party who incurs or expects to incur a debt of at least £50,000,000 and the issue of a capital market investment that is rated, listed or traded (or designated to be rated, listed or traded). Such arrangement must also:

(a) involve a grant of security to:

(i) a person holding it as trustee for a person who holds a capital market investment issued by a party to the arrangement; or

(ii) a party to the arrangement who issues a capital market investment; or

(iii) a person who holds the security as trustee for a party to the arrangement in connection with the issue for a capital market investment; or

(iv) a person who holds the security as trustee for a party to the arrangement who agrees to provide finance (including the provision of indemnity) to another party;

(b) involve at least one party guaranteeing or providing security in respect of the performance of obligations of another party; or

(c) involve an investment of a kind described in Articles 83 to 85 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (Options, Futures and Contracts for differences).

It is anticipated that the Issuer, upon completion of the issue of the Notes (but not any Borrower or Mortgagor), will fall within such exception and that consequently it will be possible for the Trustee to appoint an administrative receiver over the assets of the Issuer under the terms of the Deed of Charge and Assignment, thus preventing the subsequent appointment of an administrator of the Issuer by any other party.

Preferential Creditors, prescribed part and administrations expenses

Crown Preference in relation to all insolvency is now abolished and accordingly the categories of preferential debts that are payable in priority to any assets secured by a floating charge are reduced. However, Section 176A of the Insolvency Act 1986 requires that a prescribed part of a company's net property (property which is available to the holder of a floating charge) can be made available for the satisfaction of unsecured debts. The section is not, nonetheless, relevant to:

(a) property which is subject to a valid fixed security interest;

(b) a floating charge created before 15 September, 2003; or

(c) an insolvency where there are no unsecured creditors.

This will accordingly potentially apply to the Deed of Charge and Assignment granted by the Issuer although it is not anticipated there will be any material unsecured or preferential creditors. Currently, the maximum value of the prescribed part which can be made available to unsecured creditors is £600,000.

In addition, in the event of an administration any expenses of the administration will be paid in priority to the holder of a floating charge.

Insolvency Regimes Differ

Borrowers which are incorporated or established in jurisdictions other than England and Wales may be subject to insolvency regimes that differ from that of England and Wales. In cases where the Borrower is based in a foreign jurisdiction, enforcement of security may be restricted by local insolvency law, including, for example, any statutory moratorium periods during which enforcement of security interests is prevented.

FACTORS RELATING TO THE NOTES

Liability under the Notes

The Notes and interest on the Notes will not be obligations or responsibilities of any person other than the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by the Originator, or of or by the Managers, the Servicer, the Special Servicer, the Trustee, the Corporate Services Provider, the Share Trustee, the Paying Agents, the Agent Bank, the Liquidity Facility Provider, the Cash Manager or the Operating Bank or any company in the same group of companies as any of them and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

Limited Resources of the Issuer

The ability of the Issuer to meet its obligations under the Notes will be dependent on the receipt by it of principal and interest from the Borrowers under the Loans. In addition, the Issuer will have available to it (subject to satisfaction of the conditions for drawing) drawings under the Liquidity Facility Agreement. Other than the foregoing, prior to the enforcement of the Issuer Security, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and in respect of making any payment ranking in priority to, or *pari passu* with, the Notes.

Monitoring of compliance with representations, warranties and covenants and the occurrence of a Loan Event of Default

The Issuer is a special purpose company, therefore it will not, nor does it possess the resources actively to monitor whether a Loan Event of Default has occurred, including, for this purpose, the continued accuracy of the respective representations and warranties made by the Borrowers and compliance by the Borrowers, with their respective covenants and undertakings under the Credit Agreement.

The Loan Security will provide that the Loan Security Trustee will be entitled to assume, unless it is otherwise expressly disclosed in any investor report or compliance certificate thereunder or the Loan Security Trustee is expressly informed otherwise by the relevant Borrower, that no Loan Event of Default has occurred which is continuing. The Loan Security Trustee will not itself monitor whether any such event has occurred but will (unless expressly informed to the contrary by the relevant Borrower) rely on certificates delivered under the Credit Agreement to determine whether a Loan Event of Default has occurred. For further details concerning Loan Events of Default see "*The Loan and the Loan Security*" below.

Each Loan will require the relevant Borrower to inform the Issuer, the Servicer and the Loan Security Trustee of the occurrence of any Loan Event of Default promptly upon becoming aware of the same. In addition, each Borrower is required to confirm in each compliance certificate delivered thereunder (each of which will be delivered to, among other recipients, the Loan Security Trustee) whether or not any Loan Event of Default has occurred (and, if one has, what action is being or proposed to be taken to remedy it).

The occurrence of a Loan Event of Default will entitle the Loan Security Trustee to pursue any of the courses of action available to it in respect of the affected Borrower and its Property.

Under the Servicing Agreement, the Servicer and (in relation to a Specially Serviced Loan) the Special Servicer have full power and authority, acting alone, to exercise the rights and powers of the Loan Security Trustee in exercising its rights in relation to the Whole Loans and their related Loan Security (other than the right to enforce the Loans or the Loan Security, which rights shall be exercised by the Loan Security Trustee at the direction of the Servicer or, in the case of a Specially Serviced Loan, the Special Servicer) and to do or cause to be done any and all things in connection with such servicing and administration which it may deem necessary or desirable. The Servicer and the Special Servicer will exercise such power and authority in a manner which is consistent with the Servicing Standard.

Post-Enforcement Call Option

To the extent that the Trustee determines, in its sole opinion and discretion, that all amounts outstanding under the Notes have become due and payable, all available funds have been distributed, and that there is no reasonable likelihood of there being any further realisations (whether arising from an enforcement of the Issuer Security or otherwise) available to pay amounts outstanding under the Notes, PECO will have the option to purchase from the Noteholders all Notes then outstanding for consideration of one penny in respect of each Note (see Condition 6 below).

Deferral of Interest on Junior Notes

If, on any Interest Payment Date, prior to delivery of a Note Enforcement Notice, there are insufficient funds available to the Issuer to pay accrued interest on any class of Notes other than the Most Senior Class of Notes, the Issuer's liability to pay such accrued interest will be treated as not having fallen due and will be deferred until the earlier of (a) the next following Interest Payment Date on which the Issuer has, in accordance with the Pre-Enforcement Interest Priority of Payments, sufficient funds available to pay such deferred amounts (including any interest accrued thereon) and (b) the date on which the relevant Notes are due to be redeemed in full. Interest will, however, accrue on such deferred interest. A Cash Reserve Account will be established in the name of the Issuer with the Operating Bank and will be used by the Issuer to make payments on any Interest Payment Date of any Prepayment Interest Arrears to the Noteholders of the relevant Class before such amounts become due in arrears.

Rights Available to Holders of Notes of Different Classes

In performing its duties as trustee for the Noteholders, the Trustee will have regard to the interests of all of the Noteholders. If, however, there is a conflict between the interests of the holders of one class of Notes and the holders of another class of Notes, in the sole opinion of the Trustee, the Trustee will be required to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding.

Ratings of Notes and Confirmations of Ratings

The ratings assigned to the Notes by the Rating Agencies are based on the Loans, the Loan Security, the Properties and other relevant structural features of the transaction, including, amongst other things, the short term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider, and reflect only the views of the Rating Agencies. The ratings address the likelihood of full and timely receipt by any of the Noteholders of interest on the Notes and the likelihood of receipt by any Noteholder of principal of the Notes by the Legal Final Maturity. There is 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 value of the Notes.

Agencies other than the Rating Agencies could seek to rate the Notes and if such "unsolicited ratings" are lower than the comparable ratings assigned to the Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

Absence of Secondary Market; Limited Liquidity

Application will be made to the Irish Financial Services Regulatory Authority, as competent authority under the Prospectus Directive, for the Prospectus to be approved. Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. 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.

Availability of Liquidity Facility

Pursuant to the terms of the Liquidity Facility Agreement, the Liquidity Facility Provider will provide a revolving committed facility for drawings to be made in the circumstances described in "*Credit Structure — Liquidity Facility*". The Liquidity Facility will be available to cover senior expenses and interest payable on the Notes, other than Prepayment Interest Arrears, to the extent that there is a shortfall (a "**Senior Expenses Drawing**") and to advance payments in relation to the Senior Loans due under the Loan Swap Agreements contracted in relation to the Whole Loans on any Loan Interest Payment Date (a "**Loan Swap Advance**"). Any Loan Swap Advance will be made on a Calculation Date and any Senior Expenses Drawing will be made on an Interest Payment Date.

As any amount to be established on a Calculation Date may be adjusted to take account of amounts received on or before the next Interest Payment Date, it is possible that a notice of drawing may be served under the Liquidity Facility (in respect of a Loan Swap Advance two Business Days before the relevant Calculation Date or in respect of a Senior Expenses Drawing on the Calculation Date for the relevant Interest Payment Date) and subsequently funds received that would make the Liquidity Facility drawing unnecessary. However, the Issuer will still be obliged to draw, and pay interest on, the relevant amounts under the Liquidity Facility until the relevant amounts are repaid either as a Priority Amount or on an Interest Payment Date.

EU Directive on the Taxation of Savings Income

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

Corporation Tax Reform

In December 2004, HM Revenue & Customs issued a technical note entitled *"Corporation tax reform"*. The document builds on a number of proposals contained in earlier consultation documents as to how the current corporation tax system might be reformed. It is not currently known whether or in precisely what form any changes arising from the consultation on corporation tax reform will be enacted. It is possible that, if these changes are enacted, they may affect the taxation treatment of the Issuer, and consequently could affect the ability of the Issuer to repay amounts under the Notes. The change may also affect the tax treatment of the Borrowers.

Withholding Tax under the Notes

In the event any withholding or deduction for or on account of taxes is imposed on or is otherwise applicable to payments of interest or principal on the Notes to Noteholders, the Issuer is not obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of such withholding or deduction.

Change of Currency

If at any time there is a change of currency in the United Kingdom such that the Bank of England recognises a different currency or currency unit or more than one currency or currency unit as the lawful currency of the United Kingdom, then references in, and obligations arising under, the Notes outstanding at the time of such change and which are expressed in sterling will be translated into, and any amount payable will be paid in, the currency or currency unit of the United Kingdom, and in the manner designated by the Principal Paying Agent. Any such translation will be at the official rate of exchange recognised for that purpose by the Bank of England.

Where such a change in currency occurs, the Notes and the Conditions will be amended in the manner agreed between the Issuer and the Trustee so as to reflect that change and, so far as practicable, to place the Issuer, the Trustee and the Noteholders in the same position as if no change in currency had occurred. Such amendments are to include, without limitation, changes required to reflect any modification to business day or other conventions arising in connection with a change in currency. All such amendments will be binding on the Noteholders. Notification of the amendments will be made in accordance with Condition 15.

Change of Law

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

Implementation of the Basel II framework

On 26 June, 2004, the Basel Committee on Banking Supervision (the "**Basel Committee**") published the text of a new capital accord under the title Basel II: *International Convergence of Capital Measurement and Capital Standards: a Revised Framework* ("**Basel II**"); a revised version was published on 15 November, 2005. Basel II replaces the 1988 Basel Capital Accord and places enhanced emphasis on risk-sensitivity and market discipline. The Basel Committee has suggested that the various approaches under Basel II should be implemented in stages, some from year-end 2006; the most advanced at year-end 2007. National implementation dates may differ depending on the relevant implementation process. If implemented in accordance with its current form, Basel II could affect the risk weighting of the Notes in respect of investors which are subject to Basel II in the form of any national legislative implementation thereof including, in respect of EU financial institution investors, via the proposed Capital Requirements Directive. Consequently, investors should consult their own advisers as to the consequences to and effect on them of the proposed national implementation of Basel II. No predictions can be made by the Issuer as to the precise effects of potential changes which might result if Basel II is adopted in its current form or otherwise.

Introduction of International Financial Reporting Standards

The Issuer's UK corporation tax position depends to a significant extent on the accounting treatment applicable to the Issuer. From 1 January, 2005, the Issuer's accounts are required to comply with International Financial Reporting Standards ("**IFRS**") or with new UK Financial Reporting Standards reflecting IFRS ("**new UK GAAP**"). There is a concern that companies such as the Issuer might, under either IFRS or new UK GAAP, report profits or losses for accounting purposes, and accordingly for tax purposes (unless tax legislation provides otherwise), which bear little or no relationship to the company's cash position. However, the Finance Act 2005 requires a "securitisation company" to prepare tax computations for its periods of account beginning on or after 1 January, 2005 and ending before 1 January, 2007 on the basis of UK GAAP as applicable up to 31 December, 2004, notwithstanding the requirement to prepare statutory accounts under IFRS or new UK GAAP. The Issuer has been advised that it will be a "securitisation company" for these purposes. The UK Government announced in the Pre-Budget Report on 5 December, 2005 and confirmed in the Budget on 22 March, 2006 that it would extend the interim regime described above for a further year to 31 December, 2007.

The stated policy of HM Revenue & Customs is that the tax neutrality of securitisation companies in general should not be disrupted as a result of the transition to IFRS or new UK GAAP, and it is working with participants in the securitisation industry to establish a permanent regime that would prevent any such disruption. The Finance Act 2005 enables regulations to be made to establish such a regime. However, if (for whatever reason) measures are not introduced to deal with the corporation tax position of such companies in respect of their periods of account ending on or after 1 January, 2007 (or following implementation of the extension mentioned above, 1 January, 2008), the Issuer (like other UK securitisation companies) may then be required to recognise profits or losses as a result of the application of IFRS or new UK GAAP which could have tax effects not contemplated in the cashflows for the transaction, and as such adversely affect the Issuer and consequently the Noteholders.

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 and 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 lessen some of these risks for Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts in connection with the Notes on a timely basis or at all.*

THE ISSUER

The Issuer, White Tower 2006-1 plc, was incorporated in England and Wales on 13 February, 2006 (registered number 5706986), as a public company with limited liability under the Companies Act 1985. The registered office of the Issuer is at 35 Great St. Helen's, London EC3A 6AP and its telephone number is +44 (0)20 7398 6300. The Issuer has no subsidiaries.

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 invest in mortgage loans secured on commercial or other properties within the United Kingdom or elsewhere, to manage and administer mortgage loan portfolios, to issue securities in payment or part payment for any real or personal property purchased, to borrow, raise and secure the payment of money by the creation and issue of bonds, debentures, notes or other securities and to charge or grant security over the Issuer's property or assets to secure its obligations.

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 and matters which are incidental or ancillary to the foregoing.

The Issuer will covenant to observe certain restrictions on its activities, which are detailed in Condition 3(A) of the Notes, the Deed of Charge and Assignment and the Trust Deed. In addition, the Issuer will covenant in the Trust Deed to provide written confirmation to the Trustee, on an annual basis, that no Event of Default (or other matter which is required to be brought to the Trustee's attention) has occurred in respect of the Notes.

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 are, Jonathan Eden Keighley, James Garner Smith Macdonald and Robert William Berry (together with their alternate directors Annika Goodwille, Helena Whitaker, Claudia Wallace and J-P Nowacki), 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 £**	**Shares Fully Paid Up**	**Paid Up Share Capital £**
50,000	50,000	1	50,000	50,000

49,999 of the issued shares (being 49,999 shares of £1 each, each of which is fully paid up) in the Issuer are held by the Share Trustee as trustee of the White Tower 2006-1 Securitisation Trust pursuant to the Share Declaration of Trust. The remaining one share in the Issuer (which is fully paid) is held by SFM Nominees Limited (registered number 4115230) as nominee for the Share Trustee.

Loan Capital

Class A Commercial Mortgage Backed Floating Rate Notes due 2013........	£281,000,000
Class B Commercial Mortgage Backed Floating Rate Notes due 2013........	£ 80,300,000
Class C Commercial Mortgage Backed Floating Rate Notes due 2013........	£ 71,950,000
Class D Commercial Mortgage Backed Floating Rate Notes due 2013	£101,750,000
Total Loan Capital	£535,000,000

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

PECO

PECO, White Tower Property Estate Capital Options Limited, was incorporated in England and Wales on 31 March, 2005 (registered number 5409555), as a private company with limited liability under the Companies Act 1985. The registered office of PECO is at 35 Great St. Helen's, London EC3A 6AP.

1. Principal Activities

The only purposes of PECO are to hold the Post-Enforcement Call Option and other similar options granted in respect of securities granted by other issuers and to be the holding company of White Tower 2005-1 plc. The Post-Enforcement Call Option will be granted to PECO by the Trustee on behalf of all the Noteholders and will permit PECO to acquire from the Noteholders all the Notes then outstanding for a purchase price of one penny per Note. The Post-Enforcement Call Option will only be exercised if the Trustee determines (and gives written notice to PECO of such determination), in its sole opinion and discretion, that all amounts outstanding under the Notes have become due and payable and that there is no reasonable likelihood of there being any further realisations (whether arising from an enforcement of the Issuer Security or otherwise) being available to pay amounts outstanding under the Notes. See Condition 6 below.

2. Directors and Secretary

The directors of PECO 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 PECO 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 are, Jonathan Eden Keighley, James Garner Smith Macdonald and Robert William Berry (together with their alternate directors Annika Goodwille, Helena Whitaker, Claudia Wallace and J-P Nowacki), whose business addresses are 35 Great St. Helen's, London EC3A 6AP, and who perform no other principal activities outside PECO which are significant with respect to PECO.

3. Capitalisation

The capitalisation of PECO as at the date of this Prospectus is as follows:

Share Capital

Authorised Share Capital £	Issued Share Capital £	Nominal Value of each Share £	Shares Fully Paid Up	Paid Up Share Capital £	Paid Up Share Premium £
1,000	2	1	2	2	49,997

PECO has an authorised share capital of £1,000 divided into 1,000 ordinary shares of £1 each, of which two ordinary shares have been issued with one of such ordinary shares being issued at a premium of £49,997 over its nominal value. The Share Trustee holds the issued shares of PECO under the terms of the White Tower 2005-1 Securitisation Trust.

THE PARTIES

Société Générale

Société Générale is the originator of the Loans and, in addition, the Loan Swap Counterparty A.

Société Générale is a French limited liability company (Société Anonyme) having the status of a bank and is registered in France in the Commercial Register under number 552120222. It has its registered office at 29 Boulevard Haussman, 75009 Paris and its head office at Tour S.G., 17 Cours Valmy, 97972 Paris La Defense. Société Générale was incorporated by deed approved by the decree of 4th May 1864.

Société Générale has an authorised share capital of 434,288,181 shares with a par value of 1.25 each all of which were fully paid up as at 31 December 2005. The total assets of Société Générale and its subsidiaries (the "**Société Générale Group**") were €848,417 million as at 31 December 2005.

The short-term unsecured obligations of Société Générale are rated "A-1+" by S&P and "P-1" by Moody's and the long-term obligations are rated "AA-" by S&P and "Aa2" by Moody's.

The information contained in this Prospectus with respect to Société Générale has been obtained from publicly available information on its website.

The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Société Générale since the date of this Prospectus, or that the information contained or referred to in it is correct as of any time subsequent to its date.

Barclays Bank PLC

Barclays Bank PLC is the Loan Swap Counterparty B.

Barclays Bank PLC is an English public limited company (incorporated in England with registered number 1026167). It has its registered office at 1 Churchill Place, London E14 5HP.

Barclays Bank PLC has an authorised share capital of 3,000 million shares with a par value of £1 each all of which were fully paid up as at 30 June 2005. The total assets of Barclays Bank PLC and its subsidiaries (the "**Barclays Bank Group**") were £850,362 million as at 30 June 2005.

The short-term unsecured obligations of Barclays Bank PLC are rated "A-1+" by S&P and "P-1" by Moody's and the long-term obligations are rated "AA" by S&P and "Aa1" by Moody's.

The information contained in this Prospectus with respect to Barclays Bank PLC has been obtained from publicly available information on its website.

The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Barclays Bank PLC since the date of this Prospectus, or that the information contained or referred to in it is correct as of any time subsequent to its date.

Servicer

Hatfield Philips International Limited ("**Hatfield Philips**"), whose principal office is at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB, is a limited liability company regulated in England and Wales and will, pursuant to the terms of the Servicing Agreement, act as the Servicer in respect of the Loans.

Special Servicer

Hatfield Philips will, pursuant to the terms of the Servicing Agreement, act as the initial Special Servicer of any Loan if it is appointed to act in such capacity in the circumstances described in "*Servicing - Roles of the Servicer and Special Servicer*".

Liquidity Facility Provider

Lloyds TSB Bank plc acting through its corporate office located at Faryner's House, 25 Monument Street, London EC3R 8BQ, will act as the Liquidity Facility Provider under the Liquidity Facility Agreement. Lloyds TSB Bank plc is regulated by the Financial Services Authority. The long term, unsecured, unsubordinated debt obligations of Lloyds TSB Bank plc are rated "Aaa" by Moody's and "AA" by S&P and the short term, unsecured, unsubordinated debt obligations of Lloyds TSB Bank plc are rated "P-1" by Moody's and "A-1+" by S&P.

Cash Manager

ABN AMRO Bank N.V. (London Branch) will act as the Cash Manager under the Cash Management Agreement. See "*Cash Management*".

Operating Bank

ABN AMRO Bank N.V. (London Branch) will act as the Operating Bank pursuant to the Cash Management Agreement in relation to the Issuer Transaction Account, the Stand-by Account and the Cash Investment Account, the Cash Reserve Account and under the Servicing Agreement in relation to the Tranching Account through its office located at 250 Bishopsgate, London EC2M 4AA. The short term, unsecured, unguaranteed and unsubordinated debt obligations of ABN AMRO Bank N.V. (London Branch) are rated "A-1+" by S&P and "P-1" by Moody's. The long term, unsecured, unguaranteed and unsubordinated debt obligations of ABN AMRO Bank N.V. (London Branch) are rated "AA" by S&P and "Aa3" by Moody's.

White Tower Property Estate Capital Options Limited

White Tower Property Estate Capital Options Limited ("**PECO**"), a limited liability company incorporated in England and Wales (registered number 5409555) and whose registered office is at 35 Great St. Helen's, London EC3A 6AP, will, pursuant to the Post-Enforcement Call Option Agreement, have the benefit of the Post-Enforcement Call Option to acquire all the Notes of the Issuer then outstanding, which will be exercisable only after certain conditions have been met.

Principal Paying Agent and Agent Bank

ABN AMRO Bank N.V. (London Branch) will be appointed as Principal Paying Agent and Agent Bank under the Agency Agreement.

Share Trustee

SFM Corporate Services Limited whose registered office is at 35 Great St. Helen's, London EC3A 6AP will be appointed as Share Trustee under the Share Declaration of Trust.

Irish Paying Agent

NCB Stockbrokers Limited whose principal office is at 3 George's Dock, International Financial Services Centre, Dublin 1, Ireland will be appointed as Irish Paying Agent under the Agency Agreement.

Corporate Services Provider

Structured Finance Management Limited whose registered office is at 35 Great St. Helen's, London EC3A 6AP will be appointed as Corporate Services Provider under the Corporate Services Agreement.

Among other things, the Corporate Services Agreement sets out when, and the terms upon which, each of the Issuer and the Trustee have the right to terminate the Corporate Services Agreement by removing the Corporate Services Provider if the Corporate Services Provider does any of the following:

(i) commits a material breach of any of the terms or conditions of the Corporate Services Agreement and fails to remedy the same within 30 days (or such other period as shall be agreed between the parties) of being required so to do; or

(ii) enters into liquidation whether compulsorily or voluntarily (other than for the purpose of amalgamation or reconstruction) or compounds with any of its creditors or has a receiver, administrative receiver or administrator appointed over all or any part of its assets or takes or suffers any similar action in consequence of its debt; or

(iii) ceases or threatens to cease to carry on its business or a substantial part of its business; or

(iv) purports to assign the Corporate Services Agreement or any rights under it without the express written consent of the Issuer and the Trustee, such consent not to be unreasonably withheld; or

(v) consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity or if control of the Corporate Services Provider changes.

In addition, the Corporate Services Agreement may be terminated by not less than three months' prior written notice given jointly by the Issuer and the Trustee to the Corporate Services Provider or by the Corporate Services Provider to each of the Issuer and the Trustee.

The Corporate Services Provider may terminate the Corporate Services Agreement by giving notice to the Issuer, copied to the Trustee, if the Issuer commits a material breach and this is not remedied in accordance with the terms of the Corporate Services Agreement.

Any termination of the Corporate Services Agreement shall not take effect until a successor corporate services provider has been appointed (and approved in writing by the Trustee) and such of the Directors and/or Secretary (as the case may be) as the Issuer and the Trustee jointly require, tender their resignation provided that such resignations are not effective until after the appointment (and approval in writing by the Trustee) of the successor corporate services provider.

Trustee

ABN AMRO Trustees Limited has its principal office at 82 Bishopsgate, London EC2N 4BN. The Trustee will be appointed pursuant to the Trust Deed to represent the interests of the Noteholders. The Trustee will agree to hold the benefit of the covenants of the Issuer contained in the Trust Deed on trust for the Noteholders and the Issuer Security for the benefit of, *inter alios*, the Noteholders.

Among other things, the Trust Deed:

(a) sets out when, and the terms upon which, the Trustee will be entitled or obligated, as the case may be, to take steps to enforce the Issuer's obligations under the Notes (or certain other relevant documents) or to enforce the Issuer Security;

(b) contains various covenants of the Issuer relating to repayment of principal and payment of interest in respect of the Notes, to the conduct of its affairs generally and to certain ongoing obligations connected with its issuance of the Notes;

(c) provides for the remuneration of the Trustee, the payment of expenses incurred by it in the exercise of its powers and performance of its duties and provides for the indemnification of the Trustee against liabilities, losses and costs arising out of the Trustee's exercise of its powers and performance of its duties;

(d) sets out whose interests the Trustee should have regard to when there is a conflict between the interests of different classes of Noteholder;

(e) provides that the determinations of the Trustee will be conclusive and binding on the Noteholders;

(f) sets out the extent of the Trustee's powers and discretions, including its rights to delegate the exercise of its powers or duties to agents, to seek and act upon the advice of certain experts and to rely upon certain documents without further investigation;

(g) limits the scope of the Trustee's liability for negligence or wilful default or fraud in connection with the exercise of its duties;

(h) sets out the terms upon which the Trustee may, without the consent of the Noteholders, waive or authorise any breach or proposed breach of covenant by the Issuer or determine that an Event of Default (as defined in Condition 10) will not be treated as such;

(i) sets out the terms upon which the Trustee may, without the consent of the Noteholders, make or sanction any modification to the Conditions or to the terms of the Trust Deed or certain other relevant documents; and

(j) sets out the requirements for and organisation of Noteholder meetings.

The Trust Deed also contains provisions governing the retirement or removal of the Trustee and the appointment of a successor Trustee. The Trustee may at any time and for any reason resign as Trustee upon giving not less than three months' prior written notice to the Issuer. The holders of the Notes of each class, acting by Extraordinary Resolution, may together remove the Trustee from office. No retirement or removal of the Trustee (or any successor Trustee) will be effective until a trust corporation has been appointed to act as successor Trustee.

The appointment of a successor Trustee will be made by the Issuer or, where the Trustee has given notice of its resignation and the Issuer has failed to make any such appointment by the expiry of the applicable notice period, by the Trustee itself. No person may be appointed to act as a successor Trustee unless that person has been previously approved by an Extraordinary Resolution of each class of the Noteholders.

THE BORROWERS

The Loan Pool consists of three loans each of which has a different Borrower.

Borrowers

As at the Cut-off Date, the Loans to Prime Locations (the "**Prime Locations Loan**"), Victoria Embankment (the "**Victoria Embankment Loan**") and Millennium Bridge (the "**Millennium Bridge Loan**") have outstanding balances representing approximately 45 per cent., approximately 40 per cent. and approximately 16 per cent. respectively of the aggregate outstanding balance of all the Loans in the Loan Pool.

Prime Locations

Prime Locations is a limited partnership registered in England and Wales. The limited partnership is governed by the Limited Partnership Act 1907 (the "**1907 Act**") and is constituted by a limited partnership deed entered into between the partners (the "**Partnership Agreement**").

Limited partnerships generally consist of a general partner (in this case, a limited liability company incorporated in England and Wales) and limited partners. Each partner makes a capital contribution to the limited partnership and in some instances also lend money to the limited partnership.

In relation to the purchase by a limited partnership of property, the legal interest in the property is either held by the general partner or on trust by one or more trustees. Where property is held by two or more trustees, or (as is the case with the Prime Locations Property) a single trustee which is a trust corporation, the beneficial interest in the property will be overreached on a sale or disposal of the legal interest in the property but it is nonetheless the practice to require the partnership to charge by way of first fixed charge its beneficial interest in the property by way of collateral security.

The Partnership Agreement includes provisions which, *inter alia*, provide that the general and limited partners can only be repaid on the dissolution of the partnership. The partners also covenanted, *inter alia*, not to call for a dissolution of the partnership. A dissolution could nevertheless occur automatically if (i) it or its general partner becomes insolvent (it should be noted that both the general partner and limited partners are special purpose vehicles and have given representations to the Originator as to their status); or (ii) if the business of the partnership becomes unlawful.

If the limited partnership is wound up in breach of a prohibition contained in the limited partnership agreement and/or deed and the Credit Agreement, or is wound up automatically on the occurrence of one of the events referred to in the proceedings in the preceding paragraph, then the statutory subordination contained in the Partnership Act, 1890 ought to apply. This Act provides that, on the dissolution of a partnership, its assets (including those sums, if any, contributed by the partners to make up losses or deficiencies of capital) will be applied in paying the debts of the firms to persons who are not partners before they are paid to the relevant partner (whether in repayment of advances made by that partner or in repayment of capital).

Pursuant to the 1907 Act, the general partner's liability for the debts and obligations of a limited partnership registered in accordance of the 1907 Act is unlimited. Limited partners are however not liable for the debts or obligations of the partnership beyond the sum of capital the limited partner has contributed to the partnership and that part of any loan which is advanced or available to be advanced to the partnership by the limited partners and which has not been repaid. Any debt obligations of the partnership above such level will be the responsibility of the general partner. The principal exception to the above is where the limited partner takes part in the management of the partnership business in which circumstances the limited partner loses its limited partner status and will, pursuant to Section 6 of the 1907 Act, become liable for debts and obligations of the limited partnership incurred while the limited partner so acts. Limited partnerships registered in England and Wales do not have a legal personality separate from their partners.

A limited partnership may be dissolved in accordance with the Partnership Agreement. In addition, a court may, on application of any partner and on the satisfaction of certain statutory grounds, order the dissolution of the partnership. The court may also, on the petition of a creditor, certain insolvency practitioners, the Secretary of State or a partner, make a winding-up or an administration order in relation to the partnership. The terms of the Partnership Agreement effectively prohibit, however, any of the partners from petitioning for the winding-up or administration of the partnership so long as the Prime Locations Loan is outstanding.

Victoria Embankment

Victoria Embankment comprises (jointly and severally) two limited liability companies registered in Jersey namely Victoria Embankment Properties Limited and Victoria Embankment Holdings Limited.

The only material assets of these companies are the units in the VE Unit Trust which owns the Victoria Embankment Property (for further information in this respect see "*Risk Factors – Unit Trusts*" above). A legal opinion was obtained from Jersey lawyers on the drawdown of the relevant Loan confirming that both companies comprising the Victoria Embankment Borrower were duly constituted under Jersey law and had power and capacity to enter into the relevant loan and security documents.

Millennium Bridge

Millennium Bridge is also a limited liability company incorporated in Jersey. It holds directly the legal and beneficial interest in the Millennium Bridge Property. A legal opinion was obtained on the drawdown of the relative loan confirming that it was properly constituted under Jersey law and had power and capacity to enter into the relative loan and security documents. For further information relating to the Borrowers, see "*Appendix 1 – The Borrowers*" on page 140 below.

THE LOANS AND THE LOAN SECURITY

1. The Loan Pool

All of the Loans in the Loan Pool were originated by SG (the "**Originator**"). The origination of the Loans was undertaken by the Originator in its capacity as sole lender.

The Loan Pool consists of three Loans, all of which are secured over commercial properties, as described below. The decision to advance any Loan (subject to obtaining satisfactory legal due diligence) was based on compliance with the Originator's loan origination procedure, as described below. All of the Loans and Loan Security contained in the Loan Pool were originated by the Originator in September 2005.

Loan Origination Procedure

The description that follows relates to the procedure followed by the Originator in originating the Loans.

2. Origination Procedure

(A) Underwriting and Credit Approval Process

In deciding whether to advance the Loans, the Originator carried out an initial review which included:

- Review of each sponsor's experience, track record and financial strengths
- Analysis of the lease structure and tenancies
- Past and current dynamics of the real estate market where the assets are located
- Detailed review of the underlying assets including type, location and quality
- Cash flow simulations
- Loan distribution strategy: syndication or securitisation

Based upon this analysis, loan terms and conditions, amortisation profiles and thresholds for financial covenants were determined and proposed to the client in the form of an indicative term sheet, that was negotiated with the client. Once the indicative terms were agreed with the client, an arrangement and underwriting mandate was signed. The Originator then went through the credit application process described below.

A designated deal leader wrote a Credit Application in respect of the Loans and was responsible for every aspect of the risk analysis (borrower, tenant, income stream analysis, loan structure and covenants). The Credit Application followed a standard format comprising:

- Executive Summary
- Overview of the sponsor
- Overview of the property
- Market analysis
- Tenant analysis
- Cash flows and risk analysis
- Funding structure and terms

The Credit Application was reviewed and approved by the Global Head of Real Estate Finance who assessed the transaction. A further review and subsequent approval was undertaken by two separate SG risk departments, one of which reported directly to the SG Chief Executive Officer.

Once credit approval was granted the full due diligence process commenced. The Originator instructed the chartered surveyors to provide valuations of the Properties.

The Originator instructed its external English Legal advisers, Sidley Austin ("**SA**") who are responsible for drafting and checking the loan and security documentation. See Section 3 below "*Legal Due Diligence*" for a more detailed description as to the due diligence process undertaken.

The deal leader reviewed all the due diligence reports and was responsible for the review of the information provided in these reports. The deal leader also ensured that satisfactory insurance and hedging arrangements were put in place on or prior to the drawdown of the Loans.

The deal leader, in conjunction with SA, confirmed that the Prime Locations Property, the Victoria Embankment Property and the Millennium Bridge Property were suitable security for mortgage purposes.

Each facility is monitored by the Originator's Agency and Transaction Monitoring department which is independent from the real estate department. Any request for changes to tenancies, sales, changes in ownership etc. is dealt with by this department supported by other relevant areas. Compliance with loan covenants is checked on a minimum quarterly basis when updated property information is received from the borrower. The borrowers' accounts are reviewed and analysed on a regular basis.

3. Legal Due Diligence

Following the approval in principle by the Originator of the relevant loan facility, certain legal due diligence procedures (as detailed below) were followed before the loan was advanced. The legal due diligence was in each case addressed to the Originator and the Loan Security Trustee. All due diligence was dated as of or shortly before the date the actual Loan was drawn down. It is not updated prior to any securitisation. It is not re-addressed either to any such issuer or other party who must instead each rely solely on the representations and warranties given by the Originator contained in the relevant loan sale agreement.

(A) General Information

SA initially obtained (and, where reasonably practicable, checked) general information relating to a proposed facility including details of a borrower’s shareholders; any borrowings that it has entered into; the accounts to be operated in connection with the proposed facility; any managing agents appointed (or to be appointed) in connection with the collection of rents and/or management of the property; and insurance of the property.

(B) Property Title Investigation

An important part of the legal due diligence process was to verify that the prospective borrower and/or mortgagor has or, if the property is being purchased, will have, good title to the property to be charged, free from any encumbrances or other matters which would be considered to be of a material adverse nature. Reports on title were prepared and issued in favour of the Originator and the Loan Security Trustee by the Borrower’s solicitors.

SA checked the identity of the solicitors and satisfied themselves on behalf of the Originator that they were of sufficient standing and competence to deliver a report on title in respect of the relevant property and have appropriate professional indemnity insurance cover.

SA then reviewed the draft form of report to ensure that it covered all relevant matters. Once the draft report had been issued, they raised requisitions in case of omissions, ambiguities or material disclosures and satisfied themselves in relation to any issues arising from the report.

SA then prepared an executive summary confirming approval of the form and content of the report on title and highlighting any matters contained in the report which the SA considered should be drawn to the attention of the Originator and its valuers (to whom a copy of the report was sent).

(C) Capacity of Borrowers/Mortgagors

In relation to any Borrower or Mortgagor incorporated or constituted in England and Wales, SA satisfied themselves that the relevant company was validly incorporated or constituted, 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 any formalities required to enter into the proposed transaction with the Originator have been (or would by drawdown be) completed.

In relation to any Borrower or Mortgagor incorporated or constituted outside England and Wales, lawyers competent in the jurisdiction where the company was incorporated or constituted were appointed to undertake a similar due diligence process to that undertaken by SA taking account of jurisdictional differences. The lawyers advising in connection with jurisdictions outside England and Wales were required to deliver an appropriate legal opinion confirming, among other things, that the choice of English law to govern the loan documentation (save in relation to the security over an asset whose "situs" (deemed location) is outside England and Wales, where local law applied) was recognised and upheld.

The legal due diligence undertaken in each case was addressed to the Originator and the Loan Security Trustee. It will not be updated prior to the sale of the Loans and Loan Security nor will it be readdressed either to the Issuer or the Trustee who will each rely solely on the representations and warranties to be given to them by the Originator in the Loan Sale Agreement (see "*Acquisition of the Loans*" below).

(D) Structural/Environmental Reports

SA obtained and reviewed environmental "risk servicing" reports which, based upon published information relating to the property and past uses, attempted to identify the risk of any adverse environmental matters affecting the property and/or works being required to comply with any environmental legislation.

(E) Valuations

Each of the Properties was the subject of a Valuation in connection with the relevant Loan. The valuations contained a detailed description of the Property (including location areas and type of construction) rental values and an assessment of the insurance value of the Property. Each such valuation was undertaken on or about the origination date of the relevant Loans by an independent qualified surveyor (being a member of the Royal Institution of Chartered Surveyors) on the instructions of the Originator. No further valuation will be undertaken in connection with the sale of the Loans to the Issuer. For further information on the Valuations, see "*Appendix 1 – The Borrowers*".

4. Drawdown and Post-Completion Formalities

SA ensured that all necessary registration formalities and the service of notices were dealt with at drawdown or, as appropriate, within any applicable priority or other time periods following drawdown.

In relation to registrations at any relevant land registry, SA either undertook these or obtained an unconditional undertaking from the Borrower's solicitors to effect the registrations. Where any borrower's solicitors asked to retain any occupational leases in order to deal with day to day management matters, they were permitted to do so subject to providing an unconditional undertaking to hold them to the Loan Security Trustee's order and to deliver them on demand.

5. The Credit Agreement

General

The principal documentation which was entered into by, amongst others, the Borrower, any Mortgagor, the Loan Swap Counterparties and the Originator (as Agent and Loan Security Trustee) in relation to each Loan in the Loan Pool comprised a Credit Agreement; a debenture from the Borrower and the Mortgagor; a first legal mortgage over the relevant Property; a first fixed charge in relation to the collection account and other accounts; and various share charges over the Borrowers and their limited partners, where appropriate.

Purpose of Loans

The purpose of Loans was to assist in the acquisition or refinancing of the Property charged as security and for the interest in a limited partnership or unit trust owning the Property.

Borrower/Mortgagor Description

The Borrowers are sponsored by an experienced property investor and are all special purpose vehicles constituted in England and Wales or Jersey whose only activity, save as referred to below, is represented as having been the beneficial owner (directly or indirectly) of the relevant mortgaged property.

At the time of origination, no Borrower had any material assets or liabilities (other than liabilities that were fully subordinated and save as set out below) other than in relation to the Properties provided as security. The Originator is not aware of any Borrower that has incurred any such liability since the date of origination other than as permitted by the Credit Agreement.

Terms of the Credit Agreements

The Credit Agreement contains those representations, warranties and undertakings on the part of the Borrowers that would be acceptable to a reasonably prudent lender of money secured over commercial property.

The Loans all have original maturities of approximately five years. Each Loan is scheduled to be repaid on 18 October, 2010.

Loan Amount - Drawdown and Further Advances

The maximum amount of a Loan was calculated by reference to a pre agreed loan to value ratio and there is no obligation on the Originator or the Issuer to make any further advance to a Borrower.

Neither the Servicer nor the Special Servicer will be permitted under the Servicing Agreement (following sale and purchase of the Loans) to agree to an amendment of the terms of any Loan that would require the Issuer to make any further advances to Borrowers (unless written confirmation is received from the Rating Agencies that the rating of the Notes will not be adversely affected).

Cross–Default Provisions of the Loans

Each Loan under the Credit Agreement contains cross-default provisions with the other Loans. Accordingly, under the terms of the Credit Agreement, if any Borrower defaults under its Loan, this shall trigger an event of default under the other two Loans and, unless remedied, will result in a Loan Event of Default.

Upon the occurrence of an event of default occurring under a Loan, the Agent may do any of the following:

(a) cancel any one or more of the Loans and require any one or more Borrowers immediately to repay their Loan and any one or more of the other Loans, together with accrued interest and all other sums payable under the Credit Agreement whereupon they shall become immediately due and payable; or

(b) place any one or more of the Loans on demand whereupon the relative Loan or Loans together with accrued interest and all other sums payable under the Credit Agreement shall become repayable on demand made by the Agent; or

(c) waive the event of default in writing.

Cross–Collateralisation of the Loans

On any Loan Interest Payment Date, monies standing to the credit of each Borrower's collection account shall be paid to the lenders of the Senior Loans before any payments are made under the Junior Loans in accordance with the flow of funds waterfalls for each Whole Loan set out in the Intercreditor Agreement (as more fully set out in "*The Intercreditor Agreement*" on page 68 below). Each Loan under the Credit Agreement and/or the relative Loan Swap Counterparties is cross-collateralised with the other Loans. Each Borrower under the Credit Agreement has jointly and severally agreed with every other Borrower to irrevocably and unconditionally guarantee to each Lender, Agent, the Loan Security Trustee and any Loan Swap Counterparty the punctual performance by each other Borrower of all of its obligations under the Credit Agreement. Where a Borrower does not pay an amount due under the Credit Agreement, the other Borrowers must immediately on demand from time to time by the Agent pay such amount as if it was the principal debtor.

Payments/Prepayments

Each Borrower has the right to prepay voluntarily the whole or any part of the Loans on a Loan Interest Payment Date under the relevant Loan or between Loan Interest Payment Dates, in either case, upon not less than 10 Business Days' prior notice being given, subject to payment of any breakage costs (including the costs of breaking any associated hedging arrangements).

Where a Borrower repays or prepays a Whole Loan, a release amount equalling 113 per cent. of the principal amount originally advanced of the Whole Loan shall be paid by the Borrower in or towards repayment or prepayment of the relevant Whole Loan and the other outstanding Whole Loans in accordance with the Post-Enforcement/Property Sale or Whole Loan refinancing waterfall and the terms of the Intercreditor Agreement (see *"The Intercreditor Agreement"* on page 68). This property release mechanism enables both the Senior and Junior Loans to be deleveraged by way of additional amortisation.

The Loans in the Loan Pool all have principal repayment schedules providing for the repayment of principal on each Loan Interest Payment Date.

Interest

Interest under the Loans is paid quarterly in arrear on the 23rd day of January, April, July and October each year (each such date a "**Loan Interest Payment Date**").

Interest in relation to the Loans is payable at a floating rate, although the Borrower under each Loan is obliged to enter into hedging arrangements (see "*Hedging Arrangements*" below).

Hedging Arrangements

The Whole Loans contain an obligation to enter into hedging arrangements (the "**Hedging Arrangements**") which provide the Borrowers with an obligation to pay a fixed rate of interest notwithstanding that interest is payable by such Borrower pursuant to the Credit Agreement at a floating rate.

The Credit Agreement requires the Hedging Arrangements for each of the Whole Loans to be in a form and substance satisfactory to the Agent and with a counterparty who shall be during this transaction a financial institution whose unsecured and unsubordinated debt has a minimum short-term rating of "A-1+" by S&P, a long-term rating of "Aa3" and short term rating of "P-1" by Moody's. As at the drawdown of all the Loans, SG was the Loan Swap Counterparty A in respect of the Prime Locations Loan and its unsecured and unsubordinated debt had a long-term rating of "AA-", a short-term rating of "A-1+" by S&P, a long-term rating of "Aa2" and a short term rating of "P-1" by Moody's. Barclays Bank PLC was the Loan Swap Counterparty B for the Victoria Embankment Loan and the Millennium Bridge Loan and its unsecured and unsubordinated debt had a long-term rating of "AA", a short-term rating of "A-1+" by S&P, a long-term rating of "Aa1" and a short-term rating of "P-1" by Moody's. All Hedging Arrangements are charged or assigned by way of security under a Security Document. The Hedging Arrangements in relation to Whole Loans are in the form of an interest rate swap which is scheduled to continue in place until shortly before loan maturity.

If at any time the notional principal amount of the applicable Hedging Arrangement exceeds the aggregate amount of the Whole Loan by more than 10 per cent., the Borrower must correct the position within 20 Business Days. If the Borrower does not do so, the relevant Loan Swap Counterparty may terminate the relevant Hedging Arrangements.

Neither a Loan Swap Counterparty nor the Borrowers may amend or waive the terms of any Hedging Arrangement without the consent of the Agent.

6. The Loan Security

Principal Security

All security in relation to each Loan is granted in favour of the Loan Security Trustee on trust for the Lenders under the Senior Loans and Junior Loans and the Loan Swap Counterparties.

Debentures

Each debenture entered into by a Borrower and, as applicable, a Mortgagor secures the obligations of the Borrower to the Originator pursuant to the Credit Agreement, Hedging Arrangements and other loan documents. It creates fixed and/or floating charges over all the assets (including an assignment of rent and each Borrower's beneficial interest under the declaration of trust described below) of the relevant Borrower/Mortgagor, including any interest which the Borrower/Mortgagor may hold in any Property.

Mortgages

Each Mortgage is granted by the company or companies in whom the legal estate to the relevant Property is vested, and creates a first fixed legal mortgage over the Property concerned.

Account Charges

The Account Charges create first fixed charges created under Jersey law and give the Loan Security Trustee full security and control over monies standing to the credit of all bank accounts established by the relative Borrower/Mortgagor for the purposes of the Loans, including in particular the Collection Account into which rental income from the relevant Property is paid. Under the Servicing Agreement, the Loan Security Trustee will delegate to the Servicer and the Special Servicer certain of its rights in relation to the secured accounts.

Tranching Account Declaration of Trust

The Tranching Account opened with the Operating Bank (into which monies held in the Collection Accounts are transferred two Business Days before a Loan Interest Payment Date) is held by the Operating Bank under a declaration of trust on trust for the benefit of the Senior Lender, the Junior Lender, the Loan Swap Counterparties and the Borrowers.

Share Charges/Unit Charges

Charges over the shares in all Borrowers, under English law or Jersey law, depending upon the jurisdiction where the relative Borrower is incorporated, have been granted and the relevant share certificates deposited with or held to the order of the Loan Security Trustee.

In the case of the Victoria Embankment Loan, Victoria Embankment has also entered into a first fixed charge (under Jersey law) in respect of the units in the VE Unit Trust held by it.

Loan Security Trustee/Agent

It is anticipated that on or about the Closing Date, ABN AMRO Trustees Limited will be appointed as the Loan Security Trustee in respect of each Loan.

The Agent in relation to each of the three Loans is currently the Originator, however, shortly after the acquisition of the Loans by the Issuer, Hatfield Philips will be appointed as successor Agent.

Additional Security

Subordination

All borrowing obligations of the Borrowers and Mortgagors other than pursuant to the Loans are fully subordinated in the usual manner to all amounts due under the Credit Agreement and the Loan Swap Agreements, subject to permitted payments being made to the subordinated creditor out of surplus amounts after payment of the sums due to the Lenders under the relevant Loan on a Loan Interest Payment Date.

Intercreditor Agreement

In relation to the Loans, the security granted by the Borrower and Mortgagors provides security for the Senior Lender, Junior Lender and Loan Swap Counterparties. The Intercreditor Agreement confirms that in each case the security in respect of the Senior Loan and associated Hedging Arrangements rank in all respects ahead and in priority to the security in respect of the Junior Loans (see "*The Intercreditor Agreement*" below).

Duty of Care Undertaking

Atisreal has been appointed as an independent managing agent in relation to the Prime Locations Property and Allsop Commercial Management Limited has been appointed as an independent managing agent in relation to the Millennium Bridge Property and the Victoria Embankment Property. The Borrowers have entered into duty of care undertakings with the managing agents addressed to the Loan Security Trustee in usual terms. The terms of such duty of care undertakings oblige the managing agents, amongst other things, to manage the Properties and act in the best interests of the Borrowers at all times. They are also obliged to collect promptly rental income and (after deducting any service charge or VAT) to pay any net rental income received by them into the specified Collection Account. However, at present, rental income from each Property is paid directly by the relevant tenant into the relevant Collection Account.

7. Insurance

The Borrowers and the Mortgagors are obliged to comply with all covenants as to insurance in relation to each Property imposed by the terms of any lease under which the Borrower or Mortgagor derives its estate or interest but, so far as not inconsistent with such lease terms, the Borrower shall insure all buildings, trade and other fixtures, fittings, plant and machinery forming part of the Property in such amounts and against such risks as the Loan Security Trustee may reasonably require (including, save as referred to below, in respect of subsidence, terrorism, professional fees, site clearance, Value Added Tax and not less than three years loss of rent).

Each Property is currently insured for its full reinstatement value against comprehensive risks (including damage as a result of terrorist action) and for at least 3 years' loss of rent. The interest of the relative Borrower or Mortgagor (as property owner) and the Loan Security Trustee (as mortgagee) has been noted on the insurance policies relating to the Prime Locations Property and Millennium Bridge Property.

The Prime Locations Property is insured by the occupational tenant under the terms of the relative occupational lease against comprehensive risks (including damage caused by terrorist activities) and 3 years' loss of rent.

The tenant of the Victoria Embankment Property has the right, for so long as it has a minimum net worth of US$1,500,000,000 not to insure the Property but to carry its own risk instead. This waiver is personal to the current tenant, JP Morgan Chase Bank, which does not currently exercise this right, and instead has taken out a separate insurance policy to cover its liability in such regard. The tenant has however declined to allow the interest of the Loan Security Trustee to be noted. Given the status of the tenant in this case, and the fact that it remains liable for all repairs and for payment of rent notwithstanding damage by any insured risks, the Originator considers the position acceptable.

In the case of the Millennium Bridge Property, the insurance of the greater part is the responsibility of the superior landlord who, under the terms of the relative headlease, is obliged to insure against the usual comprehensive risks (including damage by terrorist activity) and four years' loss of (headlease) rent. Under this headlease, Millennium Bridge is responsible for payment of insurance premium, although this obligation is passed down to the occupational tenant pursuant to the occupational lease. In respect of the other part of the Millennium Bridge property, the tenant is responsible for insurance against the same risks, again with the occupational tenant being responsible for reimbursing the cost of the insurance premiums.

It should be noted that the loss of rent insurance for the first headlease of the Millennium Bridge Property only covers the rents payable under the relative headlease and the relative Borrower has accordingly taken out separate insurance to cover 3 years' loss of rent under the occupational lease.

8. Secured Accounts

General

The Credit Agreement requires the Borrower to establish sterling denominated bank accounts with a bank acceptable to the Loan Security Trustee, as described below, into which rental income and other monies are required to be paid by the Borrower or its managing agent (the "**Collection Account**"). All accounts are expressed to be the subject of a first fixed charge by way of security. In relation to all accounts either the Agent or the Loan Security Trustee has signing rights and control over the accounts.

At present, all Collection Accounts are held with SG Hambros Bank (Channel Islands) Limited (formerly SG Hambros Bank & Trust (Jersey) Limited), a subsidiary of SG.

Collection Account

Under the Credit Agreement, not less than eight calendar days before each Loan Interest Payment Date, net rental income is paid into a Collection Account over which the Loan Security Trustee has sole signing rights. The Loan Security Trustee will delegate certain rights in relation to the withdrawal of amounts credited to the Collection Accounts pursuant to the Servicing Agreement.

Tranching Account

Upon the instruction of the Servicer, two Business Days before each Loan Interest Payment Date, the balance of the three Collection Accounts will be transferred into an account (the "**Tranching Account**") with the Operating Bank, which is held by the Operating Bank under a declaration of trust (the "**Tranching Account Declaration of Trust**") on trust for the benefit of the Senior Lender, the Junior Lender, the Loan Swap Counterparties and the Borrowers. Further to the report provided by the Servicer to the Cash Manager on the account balances, the Cash Manager (on behalf of the Issuer) shall notify the Liquidity Facility Provider regarding any Senior Expense Drawing that may be needed for payments to be made under the Notes on the Interest Payment Date (as more fully described in "*Loan Servicing – Tranching Account*" on page 89).

Payments from Issuer Transaction Account

On the Loan Interest Payment Date, the Servicer (on behalf of the Loan Security Trustee) will withdraw the monies from the Tranching Account and shall apply them towards payment or repayment of the amounts set forth below in the order specified in the Intercreditor Agreement.

The Servicer (on behalf of the Loan Security Trustee) will transfer sums paid to or for the benefit of the Issuer under the Senior Loans into the collection account of the Issuer (the "**Issuer Transaction Account**"), held with the Operating Bank. In respect of the Junior Loans, the Servicer (on behalf of the Loan Security Trustee) will transfer sums paid to or for the benefit of the Junior Lender directly into its collection account. Such monies withdrawn from the Tranching Account will be applied in accordance with the Intercreditor Agreement. The Junior Loans will always be subordinated to the Senior Loans.

The Loan Security Trustee (or the Servicer on its behalf) is not obliged to make any withdrawal if a default under the Credit Agreement is then outstanding (or would occur if any such withdrawal were made).

Events of Default: Enforcement

The Credit Agreement sets out events of default following the occurrence of which any mortgages and/ or other security for the repayment of the Loans may be enforced. Subject to any applicable grace periods and materiality the specified events include non-payment of sums due under the Credit Agreement, breach of any other obligations under the Credit Agreement, any representation, warranty or statement being incorrect when made or deemed to be made or repeated, and insolvency of, or the occurrence of any insolvency-related event in respect of any Borrower, non-third party or Mortgagor, enforcement of the security, inability to pay debts, change in beneficial ownership, cessation of business and change in control of Borrower.

See "*Loan Servicing*" for further details regarding the procedures to be followed by the Servicer on the occurrence of a Loan Event or Default under a Credit Agreement.

9. Acquisition of the Loans

Consideration

Pursuant to the Loan Sale Agreement, the Originator will agree to sell and the Issuer will agree to purchase the Loans. In relation to the Loan Security, the Loan Security Trustee in relation to each Loan will be notified of the assignment of the Loans and therefore of the Issuer's beneficial interest in such Loan Security.

The initial purchase consideration in respect of the Loans and Loan Security will be approximately £534,285,083 which will be paid on the Closing Date. On each Interest Payment Date prior to the service of a Note Enforcement Notice, the Issuer will pay to the Originator (or to the person or persons then entitled to it or any component of it), to the extent that the Issuer has funds, an amount by way of deferred consideration for the purchase of the Loans and their related Loan Security (the "**Deferred Consideration**"), if any, which is calculated in respect of the Collection Period ended on the Calculation Date immediately preceding such Interest Payment Date and which is equal to:

(a) Available Interest Receipts less an amount equal to the sum of the payments scheduled to be paid on such Interest Payment Date pursuant to items (i) to (ix) as set out in "*Cash Flows — Payments out of the Issuer Transaction Account — Application of Available Interest Receipts*" on page 20, minus

(b) an amount equal to 0.01 per cent. of the Borrower Interest Receipts transferred by the Servicer into the Issuer Transaction Account during that Collection Period, provided that the resulting amount is greater than nil.

Any amounts standing to the credit of the Cash Reserve Account (see "*Cash Management – Cash Reserve Account*" on page 93) on the Final Interest Payment Date (after the application of any amounts payable in respect of Prepayment Interest Arrears on the Final Interest Payment Date) will be paid as Deferred Consideration by the Issuer to the Originator (or to the person or persons then entitled to it or any component of it).

The right to receive the Deferred Consideration or any component of the Deferred Consideration is assignable, subject to the assignee agreeing to be bound by the terms of the Deed of Charge and Assignment.

Notification and Transfer of Legal Title

Within ten Business Days of the Closing Date, written notice will be given to each Borrower and Mortgagor of the sale of the Loans and beneficial interests in the Loan Security to the Issuer, and of the assignment by way of security by the Issuer of the Loans (and beneficial interest in the related Loan Security) to the Trustee pursuant to the Deed of Charge and Assignment, even if there is a Loan Security Trustee for the Senior Loans and Junior Loans.

Representations and Warranties

None of the Issuer, the Trustee, the Managers or their advisors has made (or will make) any of the enquiries, searches or investigations which a prudent purchaser of the relevant security would normally make in relation to the Loans or the related Loan Security purchased on the Closing Date. In addition, none of the Issuer, the Trustee, the Managers or their advisors has made or will make any enquiry, search or investigation at any time in relation to compliance by the Originator or any other person with respect to the loan origination procedure described above, or, in relation to the provisions of the Loan Sale Agreement, the Servicing Agreement or the Deed of Charge and Assignment in relation to any applicable laws or the execution, legality, validity, perfection, adequacy or enforceability of any Loan or the Loan Security purchased on the Closing Date.

In relation to the foregoing matters concerning the Loans and the related Loan Security and the circumstances in which advances were made to Borrowers prior to their purchase by the Issuer, each of the Issuer and the Trustee will rely entirely on the representations and warranties to be given by the Originator to the Issuer and the Trustee (as the case may be) which are contained in the Loan Sale Agreement.

If there is a material breach of any representation and/or warranty in relation to any Loan or Loan Security (details of which are set out below) and such breach is not capable of remedy or, if capable of remedy, has not been remedied, the Originator will be obliged within 60 days, if required by the Issuer, to repurchase all of the Loans and to accept a reassignment of its beneficial interest in the Loan Security from the Issuer for an aggregate amount equal to the outstanding principal amount under the relevant Loan together with accrued interest up to, but excluding, the date of completion of the repurchase and costs incurred in relation to such repurchase (including an amount in respect of any potential shortfall that might be suffered by the Issuer if the repurchase takes place on a day other than an Interest Payment Date). The Issuer will have no other remedy in respect of such a breach unless the Originator fails to re-purchase the relevant Loan, and to accept a reassignment of its beneficial interest in the Loan Security in accordance with the relevant Loan Sale Agreement.

All representations and warranties referred to above are given once only at the Closing Date and will include, without limitation (but subject to disclosures in the Loan Sale Agreement and as disclosed in this Prospectus) statements to the following effect:

(i) The particulars of the Loans and Loan Security (including the Mortgages) set out in the relevant Schedule to the Loan Sale Agreement are in all material respects complete, true and accurate.

(ii) The Originator is the legal and beneficial owner of the Loans, free and clear of all encumbrances, claims and equities (including, without limitation, rights of set off or counterclaim).

(iii) Each Loan constitutes a valid and binding obligation of, and is enforceable against, the relative Borrower and represents the full recourse obligations of such Borrower.

(iv) Each Loan matures for repayment not later than 18 October, 2010.

(v) The Loans and Loan Security arose from the ordinary course of the Originator's commercial secured lending activities.

(vi) Interest is charged on the Loans at such a rate as may be determined in accordance with the provisions of the Credit Agreement.

(vii) The Credit Agreement is not in whole or part a regulated consumer credit agreement as defined in Section 8 of the Consumer Credit Act 1974, nor constitutes any other agreement regulated by such Act or any modification or re-enactment of such Act.

(viii) In respect of each Loan, the Borrower is required to make all payments without any deduction for or on account of taxes, except if required to do so by law. If any tax must be deducted from amounts paid or payable under such Loan (save where such obligation arises as a result of voluntary action on the part of the Originator) then the Borrower, subject to the specific disclosure in relation to two particular Loans in certain circumstances (see "*Risk Factors – Borrower Indemnity*"), in certain circumstances is obliged to pay additional amounts to the Originator so that the Originator receives a net amount equal to the full amount it would have received had the payment not been subject to tax.

(ix) No Borrower is at the Closing Date nor was, at the date of any advance made pursuant to the relevant Loan, an employee of or employed by the Originator.

(x) No Loan was purchased by the Originator and each advance was made by the Originator for its own account.

(xi) No amount of principal, interest or other payment due from any Borrower under the Credit Agreement or at any time before the Closing Date was more than 14 days overdue and as of the Closing Date no default was subsisting.

(xii) The Credit Agreement does not contain any obligation to make any further advances which remains to be performed by the Originator and no part of any advance pursuant to any Loan has been retained by the Originator pending compliance by the relative Borrower with any other conditions.

(xiii) No Loan has been discharged, terminated, redeemed, cancelled, rescinded or repudiated and neither the Originator nor the Borrower has given any written intention to do so.

(xiv) Each Loan and the beneficial interest in the Security Trusts may be validly assigned to the Issuer and no consent from the Borrower or any Mortgagor is required for such assignment.

(xv) No Loan carries a right to payment of principal of less than the purchase price paid for such Loan by the Issuer.

(xvi) Pursuant to the terms of Credit Agreement, no Borrower nor Mortgagor is entitled to exercise any right of set-off or counterclaim against the Originator in respect of any amount that is payable under the relevant Loan.

(xvii) Immediately prior to advancing each Loan, each Property charged as security therefor was valued for the Originator by a qualified surveyor or valuer appointed by the Originator (being a fellow or associate of The Royal Institution of Chartered Surveyors) and, at the date of the relative Loan, the principal amount so advanced did not exceed 90 per cent. of such valuation.

(xviii) Prior to the completion of each Loan and Mortgage, the Originator:

(a) received from solicitors acting for or approved by the Originator a report summarising reports on title or certificates of title prepared in relation to each Property (or reports on title or certificates of title from such solicitors), including a report on the terms of each material occupational lease, addressed to the Originator and the Loan Security Trustee in relation to the relevant Property 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 advance on its agreed terms;

(b) made available to the relevant valuer a copy of the report on title or certificate of title or the summary or the relevant parts thereof prepared by the relevant solicitor approved by the Originator, for the relevant valuer to comment on; and

(c) carried out all material investigations, searches and other actions and made such enquiries as to the Mortgagor's title to the Properties as would a reasonably prudent lender of money secured on commercial property and nothing was disclosed by such investigations, searches, actions and enquiries which would have led such a reasonably prudent lender either initially or after further investigation to decline to proceed with such Loan.

(xix) Prior to the date of each Loan, the nature of, and amount secured by, such Loan and each Mortgage and the circumstances of the Borrower and any relative Mortgagors would, as at that date, have been acceptable to a reasonably prudent lender of money secured on commercial property.

(xx) In respect of each Borrower and Mortgagor that is not an individual nor a company or partnership constituted in England and Wales, the Originator received an opinion from relevant local counsel confirming that each was a properly constituted company or other legal entity in accordance with the terms of the relevant jurisdiction and had all necessary powers to enter into and comply with terms of the relative Loan and Loan Security.

(xxi) The Originator has undertaken all due diligence that a prudent commercial lender would undertake to establish and confirm that no Borrower has engaged since its formation or incorporation in any activity other than those incidental to its formation or incorporation entering into the relative Loan and its Loan Security nor has had since its incorporation nor does it have as at the Closing Date any material liability or assets other than such Loan and relevant Properties providing security for such Loan.

(xxii) To the best of the Originator's knowledge no report on title or certificate of title given by a relevant solicitor nor valuation given by a valuer in connection with any Loan (a) was negligently or fraudulently prepared by the relevant solicitor or valuer nor (b) failed to disclose any fact or circumstance that ought reasonably to have been disclosed by the report and, if disclosed, would have caused the Originator, acting as a reasonably prudent lender secured on commercial property, to decline to proceed with such Loan on its agreed terms.

(xxiii) Prior to making an advance under any Loan, (a) no express recommendation was received by the Originator from a qualified surveyor or valuer to carry out any environmental audit, survey or report of any of the Properties which was not implemented and (b) the results of any such environmental audit, survey or report which was procured by the Originator would, as at that date, have been acceptable to a reasonably prudent lender of money secured on commercial property and have been taken into account in the relevant valuation.

(xxiv) Each Property is situated in England.

(xxv) Each Property constitutes investment property let predominantly for commercial use and is either freehold or leasehold.

(xxvi) In relation to each Property:

(a) the title has been registered at the Land Registry with title absolute in the case of freehold property or absolute or good leasehold title in the case of leasehold property;

(b) was, as at the date of the relevant Mortgage held by the Mortgagor free (save for the Mortgage or other Loan Security) from any Encumbrance which would materially adversely affect such title or the value for mortgage purposes set out in the valuation referred to in paragraph (xvii) above (including any Encumbrance contained in the leases relevant to such Properties).

(c) No Property comprises unregistered land.

(d) In relation to the Loans and Loan Security, all Stamp Duty, Land Registry and all other taxes or fees required to be paid in connection with, as applicable, the transfer of title to Properties into the name of the relevant Mortgagor and/or registration of the legal title to the Loan Security in the name of the Loan Security Trustee have been paid, or an amount of money equivalent to such duties taxes or fees is held by or to the order of the Loan Security Trustee and is available for and will be applied in payment of such duties taxes or fees at the appropriate time.

(xxvii) No Property constitutes a dwelling or is owner occupied except for any Property, all or part of which is let or is capable of being let on the basis of an assured shorthold tenancy, short assured tenancy, assured tenancy or a protected tenancy which tenancy was taken into account in the valuation of that Property referred to in paragraph (xvii) above.

(xxviii) If the Property subject to a Mortgage is leasehold:

(a) any requisite consent of the landlord and any required notice to the landlord of, the creation of such Mortgage has been obtained or given and placed with the title deeds and the relevant lease contains no provision whereby it may be forfeited or irritated on the bankruptcy or liquidation of the lessee or on any other ground except breach of covenant of the tenant's obligations or non-payment of rent by the lessee;

(b) the term of the lease will not expire earlier than December 2137;

(c) all other terms of the lease are such that, in the light of all the circumstances pertaining to the relative Loan and Mortgage, a reasonably prudent lender of money secured on commercial property would regard them as acceptable for the purposes of comprising security for the Loan; and

(d) the Originator has not received written notice of any material unremedied breaches of the lease.

(xxix) In respect of each Property that is subject to a lease which provides for rent reviews, such leases provide for upward rent reviews only.

(xxx) Other than any such deeds which have been lodged at Land Registry all Title Deeds to the Properties, the Mortgages, the Debentures, Loan Security and the files relating to the Loans are held by or to the order of the Loan Security Trustee.

(xxxi) The Originator has not received written notice of any default, or forfeiture of any occupational lease granted in respect of a Property or of the insolvency of any tenant of a Property which would, in any case, render the relevant Property unacceptable as security for the Loan secured by the Mortgage over that Property.

(xxxii) The Originator:

(a) does not have any actual knowledge of any claim against any Borrower or Mortgagor under:

(A) the Clean Air Acts 1956, 1968 and 1993;

(B) the Radioactive Substances Acts 1960 and 1993;

(C) the Control of Pollution Act 1974;

(D) the Food and Environmental Protection Act 1985;

(E) the Water Resources Act 1991;

(F) the Water Industry Act 1991;

(G) the Planning (Hazardous Substances) Act 1990;

(H) the Environmental Protection Act 1990;

(I) the Public Health Acts;

(J) the Planning Act 1990;

(K) the Environment Act 1990;

(L) the rule in Rylands v Fletcher or in nuisance;

(M) The Food and Environment Protection Act 1985;

(N) Alkali etc. Works Regulation Act 1906;

(O) The Public Health Acts 1878 to 1907;

(P) Contaminated Land (England) Regulations 2000;

in relation to any Property which would, if adversely determined, materially and adversely affect the valuation of the relevant Property in the context of the loan to value calculation applied to the relative Loan at or prior to its completion; and

(b) has not received written notice of any matter likely in the opinion of the Originator to give rise to environmental liability for any Borrower and/or Mortgagor in the foreseeable future of such materiality that it would materially and adversely affect the valuation of the relevant Property in the context of the loan to value calculation applied to the relative Loan at or prior to its completion provided always that this paragraph (b) shall only apply to written notice of matters which under environmental laws or regulations in force in the country or jurisdiction where the relevant property is situated at today's date could give rise to a requirement to clean or to reinstate the relevant Property or to a claim against any Borrower and/or Mortgagor.

(xxxiii) The Credit Agreement and each Mortgage are governed by English law.

(xxxiv) Subject only, in the case of Mortgages required to be registered or recorded at the Land Registry, to such registration:-

(a) each Mortgage is a legal, valid and binding first charge by way of legal mortgage over the Property to which such Mortgage relates for the full amount of the Loan; and

(b) the Loan Security Trustee has a good title to each Mortgage at law and all things necessary to perfect the Loan Security Trustee's title to each Mortgage have been or will be duly completed within the appropriate time or are in the process of being completed without undue delay; and

(c) the Loan Security Trustee is the legal owner and the Originator is the beneficial owner of the rights of the mortgagee and chargee under the Debentures and relevant Mortgages pursuant to the Security Trusts, free and clear of all Encumbrances, unregistered interests which override first registration and unregistered interests which override registered dispositions pursuant to Schedule 1 and Schedule 3 of the Land Registration Act 2002 as such schedules have affect in accordance with Section 90(5) and Schedule 12 of the Land Registration Act 2002 (other than those to which each Property is subject), claims and equities (including, without limitation, rights of set-off or counterclaim) and there were, at the time of the making of the Loans and execution of the Debentures and Mortgages, no adverse entries or Encumbrances or other such claims or equities or applications for adverse entries of Encumbrances, claims or equities against any title at Land Registry, to any relevant Property or registered at Land Registry which entries would rank prior to the interests of the Loan Security Trustee in such Debenture or Mortgage.

(xxxv) Each relevant Debenture and Mortgage has been delivered to the Companies Registry for registration against the Borrower and Mortgagors that are signatories thereto within 21 days of the creation of the charge under the relevant Debenture or Mortgage pursuant to sections 395 or 410 (and where relevant Section 398) of the Companies Act 1985.

(xxxvi) In relation to any Mortgage where registration is pending at the Land Registry the Loan Security Trustee took or is taking all necessary steps to perfect the Loan Security Trustee's title to the Mortgage (and its registration) and the Loan Security Trustee has an absolute right to be registered as proprietor or registered owner of the Mortgage as first mortgagee or first chargee of the interest in the relevant Property which is subject to that Mortgage.

(xxxvii) Neither the Originator nor the Loan Security Trustee have breached any undertaking given by or on behalf of any of them to the Land Registry in respect of any documentation relating to the Mortgages which has been approved by it.

(xxxviii) In the case of each Property an application has been made for the registration against the registered title in question of a restriction to the effect that (except under order of the Chief Land Registrar) no subsequent charge by the registered proprietor of such Property shall be registered without the written consent of the Loan Security Trustee.

(xxxvix) Where an Encumbrance (which would have otherwise ranked ahead of, or pari passu with, any Debenture or Mortgage) is postponed to and ranks in priority behind that Debenture or Mortgage by virtue of a deed of priorities or postponement or ranking agreement, the right, title and interest of the Loan Security Trustee in each relevant deed of priorities or postponement or ranking agreement may be assigned absolutely to the Issuer.

(xl) No Debenture or Mortgage secures any loan made by the Originator to the Borrower, or any other liability of the Borrower to the Originator (excluding interest accrued but not due on the Closing Date) other than a Senior Loan or Junior Loan.

(xli) In relation to each Mortgage, the Mortgagor in respect of each Property had, as at the date of that Mortgage, a good and marketable title to the fee simple absolute in possession or a term of years absolute in the relevant Property and is the legal and beneficial owner of the relevant Property or, where legal and beneficial interests in the Property are split, is the legal owner of the Property and holds the beneficial interest on trust which beneficial interest is either overreached or charged.

(xlii) All owners of the legal estate or title to each Property which is the subject of each Mortgage have joined as parties to the relevant Mortgage.

(xliii) Since the date of the Credit Agreement:

(a) none of the provisions of any Loan or Loan Security has been waived, altered or modified in any material respect except as set out in the documents listed in the Credit Agreement and other documents pursuant to which the Loans were made (the "**Loan Documentation**");

(b) no representations or warranties have been made to the Borrower or Mortgagors by the Originator, and there are no other terms and conditions applicable to any Loan or Loan Security, other than in each case, those set out or referred to in the Loan Documentation (so far as applicable) in effect at the relevant time;

(c) the Originator has kept full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to such Loan which are complete and accurate in all material respects and all such accounts, books and records are up to date and are held by, or to the order of the Originator; and

(d) the Originator has not received any written notice of any Encumbrance materially and adversely affecting its title to such Loan and its Loan Security other than those (if any) to which the Originator has given its written consent or to which its consent is not required;

(xliv) The Originator is not aware:

(a) of any circumstances giving rise to a material reduction in the value of any Property since the last review of any Loan (if applicable) other than as a result of market forces affecting the value of comparable properties in the area;

(b) of any litigation or claim calling into question in any way the Originator's title to any Loan or beneficial interest in any Security Trust;

(c) of the bankruptcy, liquidation, receivership or administration of any Borrower or Mortgagor; nor

(d) of any material default, material breach or material violation under the Loans or Loan Security which has not been remedied, cured or waived (but only in a case where a reasonably prudent lender of money secured on residential and commercial property would grant such a waiver) or of any outstanding material default, material breach or material violation by the Borrower or a Mortgagor under the Loans or Loan Security or of any outstanding event which with the giving of notice and/or the expiration of any applicable grace period and/or making of any determination, would constitute such a default, breach or violation.

(xlv) The Originator has performed in all material respects all its obligations under or in connection with the Loans and their Loan Security and so far as the Originator is aware no Borrower nor Mortgagor has taken or has threatened to take any action against the Originator for any material failure on the part of the Originator to perform any such obligations.

(xlvi) Each Property is covered by an Insurance Policy maintained by the Mortgagor or another person with an interest in the relevant Property and:

(a) is insured in an amount which is equal to or greater than the amount which a qualified surveyor or valuer engaged by SG estimated to be equal to such Property's reinstatement value at the time of the original advance and otherwise complies with the requirements of the Security Documents and the Loan Security Trustee's interest has been noted or is in the course of being noted on each policy or otherwise included by the insurers under a "general interest noted" provision in the relevant policy;

(b) each Property is covered against those risks usually covered by a reasonably prudent mortgagee of a property of the same nature and in a comparable location; and

(c) in the case of each Property the relevant Insurance Policy provides cover in respect of at least three years' loss of revenue.

(xlvii) The Originator has not received written notice that any Insurance Policy is about to lapse on account of failure by the relevant entity maintaining such insurance to pay the relevant premiums.

Notwithstanding the warranties that will be given in relation to the Loans and the related Mortgages and Debentures, only limited assurance will be given in relation to any of the remaining Loan Security for a Loan. Certain of the warranties are qualified to reflect the circumstances of individual Properties or Loans and, where material, details of such qualification have been included elsewhere in this Prospectus.

The Loan Sale Agreement contains a representation from the Originator, to the Issuer and the Trustee, to the effect that the information in this Prospectus with regard to the Originator, its business, the Loans, the administration of the Loans, the Loan Security, the Security Trusts, the Properties and the relevant buildings insurance policies that is material in the context of the issue, the offering and the sale of the Notes, is true and accurate in all material respects and is not misleading in any material respect. Only the Issuer and the Trustee may rely upon this representation from the Originator. The remedy of the Issuer and the Trustee in the case of breach of such representation is limited to the right to claim damages for any loss suffered as a result.

THE INTERCREDITOR AGREEMENT

General

The loans each comprise of a fully drawn term loan advanced by SG (each a "**Whole Loan**") which has subsequently been divided. The senior loan part (each a "**Senior Loan**") of each of the three Whole Loans will be sold to the Issuer by SG as the senior lender (the "**Senior Lender**"). The other portion of each Whole Loan (each a "**Junior Loan**") is held by the junior lender (the "**Junior Lender**" and, together with the Senior Lender, the "**Lenders**").

The security granted in favour of the Loan Security Trustee (see "*The Loans and the Loan Security – 6. The Loan Security*" on page 57 above) for each Whole Loan is cross-collateralised so as to form one security pool. This security, as well as forming security for the Senior Loans, also provides security for the associated Hedging Arrangements and Junior Loans.

The Lenders, Loan Swap Counterparties, Loan Security Trustee, Agents and Borrowers (amongst others) have accordingly entered into an intercreditor agreement (the "**Intercreditor Agreement**") to regulate, amongst other things, the priority of, and order of distribution for, rental income and other payments received in respect of the Properties and to be made relating to the Whole Loans and Hedging Arrangements, and as to the position should it be necessary to enforce the Security.

Enforcement

Following the occurrence of any event of default under the Credit Agreement (a "**Loan Event of Default**"), the Agent in respect of the Senior Loans must notify the Agent for the Junior Loans immediately it becomes aware of the same.

The Servicer on behalf of the Senior Lender must, within 20 working days of such notice, notify the Junior Lender whether or not they intend to take any enforcement action. During this period any monies standing to the credit of any Collection Account and (otherwise) payable to the Junior Lender are held in the relative Collection Account and not distributed.

If, upon the expiry of such period, the Senior Lender determines to enforce the security, all future monies received and/or any monies retained in the Collection Accounts are applied in accordance with the post-enforcement waterfall (otherwise the pre-enforcement waterfall continues to apply).

The date upon which the relative Loan Event of Default occurs (unless subsequently waived) is referred to as the "**Enforcement Date**". Whilst theoretically each Loan could have a separate Enforcement Date, the cross-collateralisation and pooled security arrangements mean that in practice it is likely that, if the Senior Lender takes enforcement action in respect of any one Loan, enforcement action for the other Loans will have to be taken as well.

The Loan Security Trustee must, in deciding whether or not to enforce the security in respect of any Loan or exercise any of its other powers, act on the instructions of the facility agent appointed in respect of the Senior Loans (the "**Senior Agent**") (as instructed by the Senior Lender or Controlling Class) (see "*Loan Servicing*"), unless and until all monies due and outstanding to the Lenders and associated Loan Swap Counterparties have been paid in full. A facility agent in relation to the Credit Agreement has also been appointed in respect of the Junior Loans (the "**Junior Agent**").

Pre-Enforcement Waterfall

Prior to the Enforcement Date for a Loan (except following the sale of the relative Property) rental income and any other monies derived from such Property are paid into the relative Collection Account and distributed in the following order:-

(a) all fees, costs and expenses attributable to the relative Loan and/or Hedging Arrangements;

(b) rent or other monies due to the superior landlord pursuant to any headlease pursuant to which the relative Property is held;

(c) interest/periodical payments due under Hedging Arrangements (except hedging close out payments or payments arising following breach by the relative Loan Swap Counterparty) attributable to the Senior Loan;

(d) amounts due under Hedging Arrangements (except any arising from breach by Loan Swap Counterparty) attributable to the Senior Loan;

(e) interest, scheduled amortisation and/or hedging payments (except arising following breach by Loan Swap Counterparty) outstanding in respect of the other Senior Loans;

(f) interest/periodical payments due under Hedging Arrangements (except close out payments or payments arising following breach by Loan Swap Counterparty) attributable to the Junior Loan;

(g) scheduled amortisation/amounts due under Hedging Arrangements (save any arising from breach by Loan Swap Counterparty) attributable to the Junior Loan;

(h) interest/scheduled amortisation and/or hedging payments (except any arising following breach by Loan Swap Counterparty) outstanding in respect of other Junior Loans;

(i) amounts due to Loan Swap Counterparty arising following breach by it;

(j) amounts due to additional hedging provider (in the case of the Prime Locations Loan only);

(k) any balance towards prepayment of monies due in respect of other Loans (to be applied firstly towards prepayment of the Junior Loan prior to the relative Enforcement Date but, after such date, first towards prepayment of the Senior Loan).

Post-Enforcement/Property Sale or Whole Loan refinancing Waterfall

After the Enforcement Date or the date upon which the Property principally charged as security for a Loan is sold, rental income and any other monies (including net sale proceeds) derived from such Property are paid into the relative Collection Account and then into the Tranching Account before being distributed along with any receipts from any Loan Swap Counterparty in the following order:-

(a) fees, costs and expenses attributable to the relative Loan and/or Hedging Arrangements;

(b) rent or other monies due to the superior landlord pursuant to any headlease under which the relative Property is held;

(c) interest (other than any additional default interest)/principal and periodic/non-periodic payments due under Hedging Arrangements (except any arising following breach by Loan Swap Counterparty) attributable to the Senior Loan;

(d) interest (other than any additional default interest)/scheduled amortisation and/or periodic/non-periodic payments due in respect of Hedging Arrangements (except any arising following breach by Loan Swap Counterparty) in respect of other Senior Loans;

(e) repayment of any outstanding principal amounts of any cure payments (see below)/made by the Junior Lender;

(f) any additional default interest in relation to the Senior Loans;

(g) interest, principal and periodic/non-periodic payments due under Hedging Arrangements (except any arising following breach by Loan Swap Counterparty) attributable to the Junior Loan;

(h) interest, scheduled amortisation, periodic and non-periodic payments due in respect of Hedging Arrangements (except any arising following breach by Loan Swap Counterparty) in respect of other Junior Loans;

(i) amounts due to Loan Swap Counterparty arising following breach by it; and

(j) amounts due to additional hedging provider (in the case of the Prime Locations Loan only); and

(k) any balance towards prepayment of monies due in respect of other Loans (to be applied firstly towards prepayment of the Junior Loan prior to the relative Enforcement Date but, after such date, first towards prepayment of the Senior Loan).

Junior Lender Cure Rights

The Junior Lender has the right, following the occurrence of any Loan Event of Default, to cure any non-material default (namely a Loan Event of Default of a non-material nature which is capable of remedy), within 5 working days of receiving notice of the relevant Loan Default.

The Junior Lender may also cure any payment Loan Event of Default (by making the relevant payment themselves) in respect of any Senior Loan, but only twice in any one period of 12 months and on no more than four occasions during the term of the relative Loan.

The provisions shall not apply (and the Junior Lender and other creditors shall not be entitled to exercise any rights under such clause) if and for so long as, at any relevant time, the actual principal amount (or, if lower, the Adjusted Principal Amount) of the aggregate of the Junior Loans is less than 25 per cent. of the initial principal amount of the Junior Loans.

Junior Lender Defeasance Rights

The Junior Lender may also, within 15 business days of receiving notice of the Senior Lender's intention to enforce security in respect of any Loan, purchase the relative Senior Loan from the Senior Lender at par, plus any associated costs and expenses incurred by the Senior Lender (including any outstanding expenses and costs in relation to the securitisation of the Loans) and/or associated Loan Swap Counterparty.

THE LOAN POOL

The aggregate of the principal balance outstanding within the Loan Pool, as at the Cut-Off Date, was £525,260,083. All of the Loans are current as of the Cut-Off Date.

The Loans had, at origination, an average maturity of approximately five years. The Loans bear interest quarterly on the current principal balance outstanding. Each Loan may consist of one or more tranches which may differ in terms of interest rate characteristics, principal repayment profile and maturity.

The following pages contain certain tables setting out statistics relating to the Loan Pool. The defined terms set forth in and the assumptions behind the tables are as follows:

(a) "**Loan Rate**" means the contractual rate of interest that the Borrower is required to pay under the relevant Loan;

(b) "**Remaining Term to Maturity**" means the number of years remaining to the maturity date of the Loan as of the Cut-Off Date;

(c) "**Cut-Off Date ICR**" means the interest cover ratio ("**ICR**") calculated as at the Cut-Off Date;

(d) "**Cut-Off Date LTV**" means the loan to value ratio of the Loan as of the Cut-Off Date and the relevant Property value as set out in the relevant Condition Precedent Valuation; and

(e) "**WA**" means weighted average.

The following tables have been compiled by the Originator and provide information in respect of the Loan Pool as at 1 March, 2006. Where the following tables make reference to property valuations, the valuations quoted are as at the date of the relevant Valuation; no revaluation of any of the Properties for the purposes of the issue of the Notes has been obtained. Some of the information set out below in relation to the Loans may change between the date of this Prospectus and the Closing Date as a result of, among other things, the repayment or prepayment of the Loans and the ongoing servicing of the Loan Pool, which may result in a change of the terms of some of the agreements in relation to the Loans.

The Cut-off Date for these tables is 1 March, 2006.

Overview of the Loans

Loan no	Property type	No properties	No. tenants	No. subtenants	Loan amount at cut-off	Current LTV	Current ICR	Drawdown Date	Maturity date	Interest type	Amortisation
1	Office	1	1	12	238,196,398	76.84%	1.44	9 September 2005	18 October 2010	Floating, fully hedged	No
2	Office	1	1	3	213,693,758	76.73%	1.44	2 September 2005	18 October 2010	Floating, fully hedged	No
3	Office	1	1	1	83,069,927	76.70%	1.44	9 September 2005	18 October 2010	Floating, fully hedged	No
Total		**3**	**3**	**16**	**534,960,083**	**76.77%**	**1.44**				

Weighted Average Interest Cover as of the Cut-Off Date

No. loans	Aggregate Cut-Off Date loan amount (£)	Share of aggregate Cut-Off Date loan amount	Loan Rate	Original term to maturity (years)	Remaining term to maturity (years)	Cut-Off Date ICR	Cut-Off Date LTV
1	238,196,398	45%	5.52%	5.11	4.64	1.44	76.84%
2	213,693,758	40%	5.31%	5.13	4.64	1.44	76.73%
3	83,069,927	15%	5.31%	5.11	4.64	1.44	76.70%
TOTAL	**534,960,083**	**100%**	**5.41%**	**5.12**	**4.64**	**1.44**	**76.77%**

Rental Revenues

Rental revenues at cut-off date						
Loan Number	Number of Tenants	WA term until lease expiry date	WA term until earlier of (lease expiry date, first break up option)	Gross Rent	Net Rent	% of rent from tenants rated or wholly and directly held by entities rated at least A+ and/or Aa3
1	1	18.18	18.18	16,516,520	16,516,520	100%
2	1	10.09	10.09	18,000,000	18,000,000	100%
3	1	7.454	7.54	8,800,000	7,040,000	100%
Total	**3**	**12.87**	**12.87**	**43,316,520**	**41,556,528**	**100%**

Overview by Region

Region	No. properties	Aggregate property value (£)	Percent property value	Aggregate Cut-off Date amount of Loans (£)	Percentage of the aggregate amount of the Loans	Average Cut-Off Date LTV
London – City	3	696,800,000	100%	534,960,083	100%	76.77%
Total	**3**	696,800,000	**100%**	**534,960,083**	**100%**	**76.77%**

Overview by Property Type

Property type	No. properties	Aggregate property value (£)	Percent property value	Aggregate Cut-Off Date amount of the Loans (£)	Percentage of the aggregate amount of the Loans	Average Cut-Off Date LTV
Office	3	696,800,000	100%	534,960,083	100%	76.77%
Total	**3**	696,800,000	**100%**	**534,960,083**	**100%**	**76.77%**

ESTIMATED AVERAGE LIVES OF THE NOTES AND ASSUMPTIONS

The average lives of the Notes cannot be predicted as the actual rate at which Loans will be repaid or prepaid and a number of other relevant factors are unknown.

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

(a) no Loans are sold by the Issuer;

(b) no Loans default, prepay or are enforced and no loss arises;

(c) the Swap Transactions will not be terminated;

(d) the Closing Date is 10 April, 2006; and

(e) the Issuer does redeem the Notes (in accordance with Condition 5(c)) upon the aggregate Principal Amount Outstanding of such Notes being less than 10 per cent. of their aggregate Principal Amount Outstanding as at the Closing Date,

then the approximate percentage of the initial principal amount outstanding of the Notes on each payment date of the Notes and the approximate average lives of the Notes would be as follows:

Payment Date of Notes	**Class A Notes**	**Class B Notes**	**Class C Notes**	**Class D Notes**
Closing Date	100.00%	100.00%	100.00%	100.00%
23/04/2006	100.00%	100.00%	100.00%	100.00%
23/07/2006	100.00%	100.00%	100.00%	100.00%
23/10/2006	100.00%	100.00%	100.00%	100.00%
23/01/2007	100.00%	100.00%	100.00%	100.00%
23/04/2007	100.00%	100.00%	100.00%	100.00%
23/07/2007	100.00%	100.00%	100.00%	100.00%
23/10/2007	100.00%	100.00%	100.00%	100.00%
23/01/2008	100.00%	100.00%	100.00%	100.00%
23/04/2008	100.00%	100.00%	100.00%	100.00%
23/07/2008	100.00%	100.00%	100.00%	100.00%
23/10/2008	100.00%	100.00%	100.00%	100.00%
23/01/2009	100.00%	100.00%	100.00%	100.00%
23/04/2009	100.00%	100.00%	100.00%	100.00%
23/07/2009	100.00%	100.00%	100.00%	100.00%
23/10/2009	100.00%	100.00%	100.00%	100.00%
23/01/2010	100.00%	100.00%	100.00%	100.00%
23/04/2010	100.00%	100.00%	100.00%	100.00%
23/07/2010	100.00%	100.00%	100.00%	100.00%
23/10/2010	0.00%	0.00%	0.00%	0.00%
Weighted Average Life(years)	4.54	4.54	4.54	4.54
First Principal Payment Date	23/04/2006	23/04/2006	23/04/2006	23/04/2006
Last Principal Payment Date	23/10/2010	23/10/2010	23/10/2010	23/10/2010

(2) The Cut-off Date assumed for the WAL calculation is 10 April 2006.

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

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

The day count fraction used for the above was "30/360", being the number of days in the relevant period divided by 360 (the number of days being calculated on the basis of a year of 360 days with 12 30-day months).

LOAN SERVICING

General

The servicing and administration of the Whole Loans and the Loan Security will be governed pursuant to the terms of a servicing agreement dated on or about the Closing Date (the "**Servicing Agreement**") between the Loan Security Trustee, the Servicer, the Special Servicer, the Trustee, the Issuer and the Junior Lender. The Issuer, the Junior Lender, the Loan Security Trustee and the Trustee all appoint each of the Servicer and the Special Servicer to service and administer the Whole Loans and the Loan Security on behalf of all of them (each according to their respective rights and interests in the same). The Servicer and the Special Servicer shall each act, and exercise all its powers and discretions as servicer pursuant to the Servicing Agreement in accordance with the following requirements (applying such requirements in the following order of priority in the event of a conflict between them):

(a) any and all applicable laws;

(b) the express terms of the Servicing Agreement;

(c) the express terms of the Intercreditor Agreement;

(d) the Loan Documentation; and

(e) the Servicing Standard.

If, in the course of providing the services to be provided by it, a conflict arises between the interests of the Servicer or the Special Servicer or any of their respective affiliates on the one hand, and the interests of the Lenders in accordance with the Servicing Standard, the interests of the Lenders shall prevail. If a conflict arises between the interests of the Issuer and the Junior Lender, then the interests of the Issuer shall prevail.

"**Servicing Standard**" requires the Servicer and, as applicable, the Special Servicer to service and administer the Whole Loans in accordance with the standards of a reasonably prudent lender of money secured by mortgages over commercial property located in the United Kingdom, with a view to the timely collection of all sums due from the Borrowers and/or Mortgagors and, in the event of a default under a Whole Loan, the maximisation of recovery on such Whole Loan to the Noteholders and then to any Junior Lenders (in each case as a collective whole), based in the Servicer's or Special Servicer's determination of the net present value of the same.

The servicing of the Whole Loans will be undertaken for the benefit of the Issuer, the Junior Lenders, the Loan Security Trustee and the Trustee according to their respective rights and interests in the Whole Loans and the Loan Security.

In addition, each of the Servicer and the Special Servicer shall, in relation to the Whole Loans, take account of the subordinated nature of each Junior Loan, which may result in a loss being suffered by the relevant Junior Lender while not at the same time resulting in a loss for the Issuer.

Each of the Servicer and the Special Servicer is required to adhere to the above standards without regard to any fees or other compensation to which it is entitled, any relationship it may have with any party to the transaction or the ownership of any Note or any interest in any Junior Loan by the Servicer or the Special Servicer. Each of the Servicer and the Special Servicer or any of their affiliates may become the owner or otherwise hold an interest in the Notes or a Junior Loan with the same rights as each would have if it were not a Servicer or the Special Servicer, as the case may be. Any such interest of the Servicer or the Special Servicer in the Notes or any applicable Junior Loan will not be taken into account by any person when evaluating whether actions of the Servicer or the Special Servicer were consistent with the above standards.

Role of the Servicer and the Special Servicer

Serviced Loans

As from the Closing Date and in accordance with and pursuant to the terms of the Servicing Agreement, save as mentioned below, the Servicer will be responsible for the servicing and administration of all the Whole Loans.

Specially Serviced Loans and the effect of a Servicing Transfer Event

If:

(a) any scheduled payment of a Whole Loan (other than any final payment due and payable on such Whole Loan) is more than 15 Business Days delinquent;

(b) there is a payment default on the maturity date of a Whole Loan;

(c) any Borrower experiences certain insolvency events;

(d) the Servicer has received notice of the forfeiture of any headlease on a Property;

(e) there is, to the knowledge of the Servicer, a material default of the Borrowers' obligations under the Credit Agreement or, to the knowledge of the Servicer a material default is likely to occur within 15 days which is in the Servicer's or the Special Servicer's opinion not likely to be cured within 15 days of its occurrence; or

(f) any other default occurs on a Whole Loan and, in the reasonable judgement of the Servicer (acting in good faith), such default materially impairs, or could materially impair, the use or marketability of any related Property and the value thereof as security for such Whole Loan,

(each, a "**Servicing Transfer Event**"), the relevant Whole Loan will become a "Specially Serviced Loan" and Hatfield Philips (or the entity that is then named as the Special Servicer in the Servicing Agreement) will commence to act as the Special Servicer in relation thereto. The Servicer must notify the Issuer, the Junior Lender, the Loan Security Trustee, the Trustee, the Rating Agencies and the Operating Adviser (if appointed by the Controlling Party and notified to the Servicer) upon a Whole Loan becoming a Specially Serviced Loan. Within 14 days of having been so notified, the Operating Adviser shall either confirm the appointment of Hatfield Philips as the then Special Servicer or shall, if it has acceded to the Servicing Agreement appoint an alternative entity, who satisfies the requirements set out in the Servicing Agreement for a Special Servicer, as an alternative Special Servicer (and at such time Hatfield Philips will resign as the then Special Servicer). The Operating Adviser will be deemed to have confirmed Hatfield Philips appointment as Special Servicer if it does not respond within such 14 day period.

To the extent that any Specially Serviced Loan with respect to which either:

(i) an event specified in paragraph (a) above has occurred and the related Borrower has made two consecutive timely quarter payments in full, in accordance with the Credit Agreement's original terms; or

(ii) an event specified in paragraph (b), (c), (d), (e) and/or (f) above has occurred and the event specified has been remedied, cured (including, for the avoidance of doubt, the exercise of any cure rights by the Junior Lender) or otherwise resolved,

(such a Whole Loan, a "**Corrected Loan**"), the Special Servicer will no longer specially service the Specially Serviced Loan and the servicing will transfer back to the Servicer.

Ongoing duties of the Servicer in relation to Specially Serviced Loans

Notwithstanding the appointment of the Special Servicer, the Servicer will be required to continue to collect information and prepare all reports required to be collected or prepared by it pursuant to the terms of the Servicing Agreement, which may include reports and information regarding Specially Serviced Loans (but provided that the information and reports in respect of any Specially Serviced Loans will, if requested by the Servicer, be based on information and reports provided by the Special Servicer). Neither the Servicer nor the Special Servicer will have responsibility for the performance by the other of its obligations and duties under the Servicing Agreement.

The Controlling Class

The holders of the Most Junior Class of Notes outstanding at the relevant time shall be the "**Controlling Class**" provided that, if at any time such class of Notes does not satisfy the Controlling Class Test then the Controlling Class shall be the holders of the next Most Junior Class of Notes which do satisfy the Controlling Class Test.

The "**Controlling Class Test**" shall, in relation to any class of Notes, be satisfied if at the relevant time the total principal amount outstanding of such class of Notes (after the application of any Appraisal Reduction Amount) is not less than 25% of the initial principal amount outstanding of such class of Notes on the Closing Date provided further that, if no class of Notes satisfies these requirements, then the Controlling Class will be the Most Junior Class of Notes then outstanding.

The "**Most Junior Class of Notes**" means:

(a) whilst any Class D Notes are outstanding, the Class D Notes;

(b) if no Class D Notes are outstanding, the Class C Notes;

(c) if no Class C Notes are outstanding, the Class B Notes; or

(d) if no Class B Notes are outstanding, the Class A Notes.

The Conditions of the Notes and the Servicing Agreement permit the Controlling Class to appoint a representative (a "**Controlling Class Representative**") to represent its interests. The Controlling Class Representative will be appointed (or replaced) in writing by Noteholders representing a majority of the Controlling Class upon delivery of a written instrument by such majority to the Trustee. No Extraordinary Resolution is required in connection with the appointment (or replacement) of the Controlling Class Representative. Upon receipt of such written instrument, the Trustee will be required to forward a copy of such instrument to the Special Servicer.

The Controlling Class Representative will have those rights as set forth under "*Rights and Powers of the Controlling Party*" below.

The Controlling Party

The "**Controlling Party**" means the Junior Lender provided that if, at any relevant time, the actual aggregate principal amount (or, if lower, the Adjusted Principal Amount) of the Junior Loans is less than 25% of the initial aggregate principal amount of the Junior Loans then the Controlling Party shall be the Controlling Class.

The "**Adjusted Principal Amount**" means (as of any relevant date) the actual principal amount of all the Junior Loans then outstanding less any Appraisal Reduction Amount.

A "**Valuation Event**" shall occur on the earlier of:

(a) the date 120 days after the occurrence of any non-payment with respect to a Whole Loan if such non-payment remains uncured;

(b) the date 90 days after an order is made or an effective resolution is passed for the winding up of the relevant Borrower or an administration order is granted or an administrative receiver or other receiver, liquidator or other similar official is appointed in relation to the relevant Borrower or a related Property, provided such order, resolution or appointment is still in effect;

(c) the effective date of any modification to the maturity date, interest rate, principal balance, amortisation term or payment frequency of a Whole Loan, other than the extension of the date that a final principal payment is due for a period of less than six months;

(d) the date 60 days following the date a Whole Loan becomes a Specially Serviced Loan; and

(e) the date upon which the Servicer has reasonable grounds to consider that an event has occurred which has caused a material adverse effect on the property market and a related material change on the value of any of the Properties.

Upon the occurrence of a Valuation Event, the Servicer shall (unless at such time there is already in existence a Valuation of the Properties dated as of less than 12 months previously) commission and use its best endeavours to obtain received a further Valuation of the Properties.

Upon receipt of a Valuation (or, if there is already such a Valuation undertaken less than 12 months previously, immediately after a Valuation Event) the Servicer shall calculate any applicable Appraisal Reduction Amount applicable to the whole or any part of the relevant Whole Loan and/or any Class of Notes in order to determine who at such time constitutes the Controlling Party. The Servicer shall promptly upon completion of such calculation notify the Cash Manager, the Issuer, Junior Lender, the Loan Security Trustee, the Trustee and the Noteholders (as applicable) as to the identity of such Controlling Party at such time.

If at any time subsequently the Servicer reasonably believes that the initial Controlling Party ceases to qualify as such then, provided always that it calculates any further Appraisal Reduction Amount based upon a Valuation of the Properties undertaken not less than 12 months previously, the Servicer may determine that another party shall be the Controlling Party which procedure may be repeated as often as the Servicer considers appropriate or necessary.

An "**Appraisal Reduction Amount**" means

(a) with respect to the Junior Loans, the sum calculated in accordance with the following formula:

£(a - b) – (c - d)

where

a = the aggregate of the Liabilities;

b= the aggregate of any sums (in cleared funds) standing to the credit of the Collection Accounts;

c = 90 per cent. of the open market values of each of the Properties (after deduction of the amount required to redeem other charges or security interests ranking in priority to those created by the Mortgages) as determined by the most recent Valuations provided that if, as of any relevant date, any Valuation is dated more than 12 months previously, the Servicer or the Special Servicer (or, if neither are in office at the relevant time, the Agent) shall commission a further and/or updated Valuation in respect of the relative Property and Properties for the purposes of making this calculation; and

d = amounts due but unpaid by way of rent or other sums payable under the terms of any headlease under which any Property is held

(b) with respect to any class of Notes the sum calculated in accordance with (a) above but after further deduction of (i) the principal amount outstanding under the Junior Loans and (ii) the principal amount outstanding of any Class of Notes junior to the Class of Notes in respect of which such calculation is to be made

provided that, if any such calculation produces a negative amount, then in such circumstances the Appraisal Reduction Amount shall be zero.

"**Liabilities**" means, in the context of an Appraisal Reduction Amount, all sums, liabilities and obligations (whether actual, contingent, present and/or future) due or owing by the Borrowers relating to the Whole Loans and/or the Hedging Arrangements (other than any Supplemental Hedging Arrangements) relating or attributable to the Whole Loans including any accrued and unpaid interest, charges, fees and other expenses due to the Lenders pursuant to the Financing Documents.

"**Supplemental Hedging Arrangements**" means each arrangement entered into by Prime Locations and Loan Swap Counterparty A for the purposes of hedging Prime Location's interest obligations in relation to all or part of the Prime Locations Loan (but relating to a period after 18 October, 2010) designated as such by Prime Locations and Loan Swap Counterparty A and the Agents, which will be excluded for the purposes of determining the Liabilities in the context of an Appraisal Reduction Amount.

"**Valuation**" means, in relation to any Property, an open market valuation of that Property addressed to the Creditors prepared in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors (in association with others) current at the date of the valuation undertaken by (in the case of the Undershaft Property) Colliers CRE or (in the case of the Millennium Bridge Property) DTZ Debenham Tie Leung or (in the case of the Victoria Embankment Property) Allsop or (in any case) such other valuers as may be appointed by the Senior Agent and the Junior Agent (or, in default of agreement, appointed by or on behalf of the President for the time being of the Royal Institution of Chartered Surveyors) from time to time.

Rights and Powers of the Controlling Party

The Servicer or Special Servicer will be required to consult with the Controlling Party (or the Operating Adviser if an Operating Adviser has been appointed by the Controlling Party to represent it) with respect to proposals for it to take any significant action with respect to any Whole Loan or its related Mortgage or Loan Security and to consider alternative actions recommended by the Controlling Party. The Servicer or Special Servicer will also be required to inform the Trustee of the result of any consultation with the Controlling Party where the Controlling Party is the Controlling Party Representative.

In addition, the Servicer or the Special Servicer, as the case may be, prior to taking or consenting to any of the following actions with respect to a Whole Loan shall obtain the written approval of the Controlling Party (a copy of which approval the Servicer shall promptly forward to the Loan Security Trustee and Trustee) if:

(a) a material increase in the amount of the Liabilities or the overall obligations of any Borrower (or any other party to the Loan Security) under the Loan Documentation and the Loan Swap Counterparty Agreements (save in respect of any further monies advanced or costs incurred in connection with the protection and/or enforcement of the Loan Security);

(b) any change to the date of payment of any amount to a party under the Loan Documentation and the Loan Swap Counterparty Agreements;

(c) a reduction in the interest rate or a reduction in the amount of any payment of principal, interest, fee or other amount payable under the Loan Documentation and the Loan Swap Counterparty Agreements;

(d) an increase in, or an extension of, a commitment or total commitments under the Loan Documentation and the Loan Swap Counterparty Agreements;

(e) any change to the basis upon which a payment is calculated in accordance with the original provisions of that Loan Documentation and the Loan Swap Counterparty Agreements;

(f) a release of any Loan Security or security provider;

(g) any change to the right of a party to assign or transfer its rights or obligations under the Loan Documentation and the Loan Swap Counterparty Agreements;

(h) any change to the rights of a party against another party or the priority or subordination intended to be achieved by the Intercreditor Agreement (save for (i) any changes agreed with the Issuer in respect of its Liabilities where such change does not affect the amount of its Liabilities as a whole or otherwise adversely affect the position of the Junior Lender and/or (ii) any changes agreed with the Junior Lender in respect of its Liabilities where such change does not adversely affect the position of the Issuer);

(i) any change to the insurance requirements set out in the Credit Agreement or to any insurance policy effected in accordance therewith; or

(j) any material changes to the Credit Agreement which may adversely affect directly or indirectly the value of a Property or the enforceability of the Loan Documentation and the Loan Swap Counterparty Agreements,

unless the amendment, waiver or consent:

(i) is contemplated in or permitted by the Loan Documentation and the Loan Swap Counterparty Agreements;

(ii) is agreed to by all the parties to the Loan Documentation and the Loan Swap Counterparty Agreements; or

(iii) constitutes a procedural or administrative change arising in the ordinary course of administration of the relevant facility and is not material in the opinion of the Servicer or the Special Service, as the case may be

provided that (if and for so long as any of the Junior Loans are outstanding) in the case of the matters specified in such paragraphs (a), (c), (d) and (e) above, the Controlling Party shall at all times be the Junior Lender.

The Servicer will not be able to take any of the actions described above in respect of a Whole Loan after it has become a Specially Serviced Loan without first obtaining the consent of and direction from the Special Servicer.

The Special Servicer must notify the Controlling Party in advance of any action it intends to take with regard to the matters set out above and must take due account of the advice and representations of the Controlling Party, although if the Special Servicer determines in accordance with the Servicing Standard that immediate action is necessary to protect the interests of the Noteholders, and, if applicable, the Junior Lender, the Special Servicer may take whatever action it reasonably considers necessary, without waiting for the Controlling Party's response. If the Special Servicer does take such action and the Controlling Party objects in writing to the actions taken within 10 Business Days after being notified of the action and being provided with all reasonably requested information, the Special

Servicer must take due account of the advice and representations made by the Controlling Party regarding any further steps that it considers should be taken.

The Controlling Party will be considered to have approved any action taken by the Special Servicer without the prior approval of the Controlling Party if it does not object within 10 Business Days. Furthermore, the Special Servicer will not be obliged to obtain the approval of the Controlling Party for any actions to be taken with respect to a Whole Loan if the Special Servicer has notified the Controlling Party in writing of the actions that the Special Servicer proposes to take with respect to such Whole Loan and, for 30 days following the first such notice, the Controlling Party has objected to all of those proposed actions and has failed to suggest any alternative actions that the Special Servicer considers to be consistent with the standards required to be implemented by the Special Servicer under the Servicing Agreement. In any event, if the Special Servicer determines in accordance with the Servicing Standard that immediate action is necessary to protect the interests of the Issuer, and, if applicable, the interests of the Junior Lender, the Special Servicer may take whatever action it reasonably considers necessary, without waiting for the Controlling Party's response, subject to the provisions of the prior paragraph concerning the need of the Special Servicer to take due account of the advice and representations of the Controlling Party if the Controlling Party has objected to actions taken by the Special Servicer.

Notwithstanding the foregoing, no advice, direction, representation or objection given or made by the Controlling Party may require or cause the Special Servicer to violate any law of any applicable jurisdiction, be inconsistent with the Servicing Standard or violate any provisions of the Servicing Agreement.

Where the Controlling Party in respect of a Whole Loan would be a Controlling Class Representative, but the Controlling Class has not appointed such a representative, the Servicer or Special Servicer (with the assistance of the Trustee) shall, if it is required to consult with or obtain the consent of the Controlling Party in respect of any matter, give notice to the relevant Noteholders, in accordance with Condition 15 of the Notes governing notices to Noteholders (as amended by the terms of the Global Notes), of their ability to appoint a Controlling Class Representative and details of the relevant matter. If the requisite majority of Noteholders have not responded to such notice within 10 Business Days they shall be considered to have consented to any such proposed action or conduct of the Servicer or Special Servicer.

The Controlling Party will have no ability to take direct action in respect of the exercise of rights with respect to any Whole Loan.

Neither the Controlling Class Representative, the Junior Lender nor the Controlling Party will have any liability to the Issuer, any Noteholder, the Junior Lender, any Loan Security Trustee or the Trustee for any action taken, or for refraining from the taking of any action, in good faith pursuant to the Servicing Agreement, or for any errors in judgement.

Appointment of Operating Adviser

In certain circumstances set out in the Servicing Agreement, the Controlling Party may elect to (if the Controlling Party is a Controlling Class, by an Extraordinary Resolution) appoint an operating adviser (the "**Operating Adviser**").

The Operating Adviser shall be appointed by the Controlling Party to represent its interests, to decide whether to confirm the appointment of the person then acting as Special Servicer or to replace the Special Servicer and to advise the Special Servicer about the following matters in relation to each Specially Serviced Loan: (a) appointment of a receiver or similar actions to be taken; (b) the amendment, waiver or modification of any term of the applicable Whole Loan which 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 Whole Loan; (c) any release of any security for the Specially Serviced Loan, other than in accordance with the terms of, or upon satisfaction of, that Whole Loan; and (d) the release of any part of a Specially Serviced Loan's Loan Security, or the acceptance of substitute or additional Loan Security other than in accordance with the terms of the relevant Whole Loan.

Upon the appointment of an Operating Adviser by the Controlling Party, the Issuer, the Trustee, the Loan Security Trustee, the Servicer and the Special Servicer will be required, pursuant to the terms of the Servicing Agreement, to use all reasonable endeavours to enable the Operating Adviser to accede to the terms of the Servicing Agreement. If an Operating Adviser does not accede to the terms of the Servicing Agreement, then before taking any action in connection with the matters referred to in (a) to (d) above, the Special Servicer must notify the Operating Adviser of the action it intends to take and must take due account of the advice and representations to the Operating Adviser. However, in the event that the Special Servicer determines that immediate action is required to meet the Servicing Standard, it may take whatever action it considers necessary without waiting for the Operating Adviser's response. If the Special Servicer does take such action and the Operating Adviser objects in writing to the actions so taken within 10 Business Days after being notified of the action, the Special Servicer must take due account of the advice and representations of the Operating Adviser regarding any further steps the Operating Adviser considers should be taken in the interests of the Controlling Party. The Operating Adviser will be considered to have approved any action taken by the Special Servicer without the prior approval of the Operating Adviser if it does not object within 10 Business Days. Furthermore, the Special Servicer shall not be obliged to consult further with the Operating Adviser for any actions to be taken with respect to any Specially Serviced Loan if the Special Servicer has notified the Operating Adviser in writing of any actions that the Special Servicer proposes to take with respect to such Whole 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 Standard.

The Operating Adviser and its officers, directors, employees and owners will have no liability to the Issuer, the Junior Lender, the Loan Security Trustee or the Trustee (or the Controlling Party, if applicable) for any advice given, or representations made, to the Special Servicer, or for refraining from the giving of advice or making of representations. The Operating Adviser is not prohibited from (a) having special relationships and interests that conflict with those of holders of one or more classes of Notes, (b) acting solely in the interests of the Controlling Party, and (c) acting to favour the interests of the Controlling Party over the interests of other Noteholders. The Operating Adviser will neither violate any duty nor incur any liability by acting solely in the interests of the Controlling Party. Notwithstanding the appointment of the Operating Adviser, the Special Servicer must act at all times in accordance with the requirements of the Servicing Agreement, including the requirement to act in accordance with the Servicing Standard.

Servicing Fees, Workout Fees, Special Servicing Fees and Other Compensation

On each Interest Payment Date and in accordance with the priority of payment of the Available Interest Receipts:

(a) a fee (the "**Servicing Fee**") will be payable by the Issuer to the Servicer in relation to each Whole Loan other than a Whole Loan which was a Specially Serviced Loan during the whole of the immediately preceding Collection Period. The Servicing Fee payable in respect of each Whole Loan will accrue at the rate of 0.025 per cent. per annum (plus VAT if applicable) x (current outstanding principal balance of the Senior Loans + current outstanding principal balance of the Junior Loans) / current outstanding principal balance of the Senior Loans, payable quarterly in arrears based on the outstanding principal balance of the Senior Loans on a daily basis, excluding any days in each such Collection Period on which any Senior Loan was a Specially Serviced Loan;

(b) a fee (the "**Special Servicing Fee**") will be payable by the Issuer to the Special Servicer in relation to each Whole Loan which was a Specially Serviced Loan at any time during the immediately preceding Collection Period. The Special Servicing Fee payable in respect of each Whole Loan will accrue at the rate of 0.19 per cent. per annum (plus VAT if applicable) x (current outstanding principal balance of the Senior Loans + current outstanding principal balance of the Junior Loans) / current outstanding principal balance of the Senior Loans, payable quarterly in arrears based on the outstanding principal balance of any Senior Loan on a daily basis when such Senior Loan was in each such Collection Period a Specially Serviced Loan;

(c) a fee (the "**Administration Services Fee**") will be payable by the Issuer to the Servicer in relation to each Whole Loan which was a Specially Serviced Loan at any time during the immediately preceding Collection Period. The Administration Services Fee payable in respect of each Whole Loan will accrue at the rate of 0.01 per cent. per annum (plus VAT if applicable) x (current outstanding principal balance of the Senior Loans + current outstanding principal balance of the Junior Loans) / current outstanding principal balance of the Senior Loans, payable quarterly in arrears based on the outstanding principal balance of any Senior Loan on a daily basis when such Senior Loan in each such Collection Period was a Specially Serviced Loan; and

(d) a fee (the "**Workout Fee**") will be payable by the Issuer to the Servicer in relation to each Whole Loan which is a Corrected Loan during the immediately preceding Collection Period. The Workout Fee in relation to each Whole Loan will accrue at the rate of 0.30 per cent. per annum (plus VAT if applicable) x (current outstanding amount of the Senior Loans + current outstanding amount of the Junior Loans) / current outstanding amount of the Senior Loans, payable in any period will apply to a Specially Serviced Loan that has become a Corrected Loan based on the interest and principal received in respect of such Corrected Loan in such period. The Workout Fee shall cease to accrue in relation to a Whole Loan when a Liquidation Event occurs or upon the date when such Whole Loan becomes once more a Specially Serviced Loan.

The Servicing Fee, any Special Servicing Fee and any Workout Fee in relation to a Loan will cease to be payable by the Issuer when any of the following events (each, a "**Liquidation Event**") occurs in relation to a Loan:

(a) such Whole Loan is repaid in full;

(b) a Final Recovery Determination (as defined under "*Calculations by the Servicer and the Special Servicer*" below) is made with respect of such Whole Loan; and

(c) the date on which the Whole Loan is sold to a third party or acquired by the Originator in circumstances where the relevant Senior Loan was repurchased by the Originator under the Loan Sale Agreement.

In addition to the Special Servicing Fee and the Workout Fee, the Special Servicer will be entitled to receive a fee (the "**Liquidation Fee**") with respect to each Specially Serviced Loan based on the proceeds of sale (including, without limitation, any amount to be paid in respect of (other than in relation to a Specially Serviced Loan that subsequently becomes a Corrected Loan) any indemnity), and net of any tax (including, without limitation, any stamp duty land tax payable thereon, to the extent not paid by a purchaser) and the costs and expenses of sale, if any, arising from the sale of any Property following the enforcement of the related mortgage or the sale or repurchase of the Loan (such proceeds, the "**Liquidation Proceeds**"). A Liquidation Fee will not be payable to the Servicer where the senior part of a Specially Serviced Loan is purchased by the Junior Lender pursuant to its rights under the Intercreditor Agreement. The amount of the Liquidation Fee payable in respect of a Specially Serviced Loan will be equal to 1 per cent. of the net sale proceeds, (plus VAT, if applicable), but will be capped at an amount equal to 1 per cent. of the outstanding principal balance of the corresponding Specially Serviced Loan. The Liquidation Fee is payable by the Issuer to the Special Servicer in relation to each Whole Loan in accordance with the relevant priority of payments payable by the Issuer on the first relevant Interest Payment Date after a Liquidation Event and in priority (either directly or indirectly) to payment of interest and principal on the Whole Loan. Therefore, although Liquidation Fees are intended to provide the Special Servicer with an incentive to better perform its duties, the payment of any Liquidation Fee will reduce principal amounts payable to the Noteholders.

The Servicer and the Special Servicer will be required to pay their respective overhead costs and any general and administrative expenses incurred by them in connection with their servicing activities carried out pursuant to the terms of the Servicing Agreement and will, in general, not be entitled to reimbursement for such expenses. However, on each Interest Payment Date, the Servicer and the Special Servicer are entitled, pursuant to the terms of the Servicing Agreement and in accordance with the relevant priority of payments payable by the Issuer, to be reimbursed in respect of certain out-of-pocket costs, expenses and charges properly incurred by them in the performance of their servicing obligations including, without limitation, those described under "*Ground Rents and Forfeiture*", "*Insurance*" and *"Annual Review"* below. Such costs and expenses are usually payable by the Issuer on the Interest Payment Date following the Collection Period during which they are incurred by the Servicer or Special Servicer.

The Workout Fee, the Servicing Fee, the Special Servicing Fee and other amounts payable by the Issuer to the Servicer and the Special Servicer are payable in accordance with the relevant priority of payments payable by the Issuer and, save in certain limited circumstances, in priority to any payments of interest or principal on the Notes, both before and after the enforcement of the Issuer Security.

Termination of the Appointment of the Servicer or the Special Servicer

Pursuant to the terms of the Servicing Agreement:

(a) the Issuer and the Trustee may, at any time (with 30 days' prior notice), terminate the Servicer's or, as applicable, the Special Servicer's appointment and appoint (in accordance with the terms of the Servicing Agreement) a successor Servicer or, as the case may be, a successor Special Servicer;

(b) the Issuer and the Trustee as a result of an event of default (as specified below) of the Servicer or, as the case may be, the Special Servicer may, at any time (with 30 days' prior written notice), terminate the Servicer's or, as applicable, the Special Servicer's appointment and appoint (in accordance with the terms of the Servicing Agreement) a successor Servicer or, as the case may be, a successor Special Servicer;

(c) the Operating Adviser may replace the Special Servicer as described under "*Role of the Special Servicer – Effect of a Servicing Transfer Event*" above, or if there has been a change in the Controlling Party and in the Operating Adviser and the new Operating Adviser appoints a new Special Servicer in accordance with the Servicing Agreement.

Events of default in respect of the Servicer and the Special Servicer include, amongst other things:

(a) a default in the payment on the due date of any payment to be made by the Servicer or, as the case my be, the Special Servicer pursuant to the terms of the Servicing Agreement;

(b) a default in the performance of any of the Servicer's or, as the case may be, the Special Servicer's other material covenants or obligations pursuant to the terms of the Servicing Agreement;

(c) the occurrence of certain insolvency related events in relation to the Servicer or, as the case may be, the Special Servicer.

In addition, the Servicer and/or the Special Servicer may resign by the Servicer or, as applicable, the Special Servicer giving at least three months' notice to, amongst others, the Issuer, the Loan Security Trustee and the Trustee.

Regardless of the reason, the termination of the appointment of the Servicer or the Special Servicer will not take effect until a successor Servicer or successor Special Servicer, as the case may be, has been appointed in its place. The identity and terms of appointment of any successor Servicer or successor Special Servicer must meet certain criteria set out in the Servicing Agreement. These include written confirmation by each Rating Agency that the current ratings of each class of Notes rated by such Rating Agencies will not be adversely affected as a result of such appointment. The fee payable to any successor Servicer or Special Servicer must be approved by the Trustee, but must not in any event exceed the rate then commonly charged by providers of loan servicing services in relation to loans secured on commercial properties similar to the Properties.

Upon any termination of its appointment, the Servicer or the Special Servicer is required (subject to any legal or regulatory restrictions) to deliver the documents, information, computer stored data and moneys held by it in relation to its appointment to the successor Servicer or Special Servicer, as applicable, and is required to take such further lawful action as the Trustee may reasonably direct to enable the successor Servicer or successor Special Servicer to perform its servicing duties.

In no circumstances shall the Trustee or the Loan Security Trustee be obliged to assume the obligations of the Servicer or the Special Servicer.

Enforcement of the Loans

Upon the occurrence of a Servicing Transfer Event, special servicing of such Whole Loan will, as described under "*Roles of the Servicer and Special Servicer*" above, be undertaken by the Special Servicer who may elect to implement its enforcement procedures in relation to that Whole Loan. Such enforcement procedures may include the giving of instructions to the Loan Security Trustee as to how to enforce the security for the repayment of the Whole Loan, including as to the appointment of a receiver or administrator (where appropriate) of the secured assets. The terms of appointment of any such receiver or administrator may, in certain circumstances, include an indemnity in favour of the receiver or administrator. The Servicer or, as applicable, the Special Servicer may consult with the receiver or administrator and agree upon a strategy for best preserving the Issuer's rights and securing any available money from the relevant Property, which may involve the receiver or administrator managing the Property (including the handling of payments of rent) for a period of time and/or seeking to sell the Property to a third party.

If a mortgage is enforced and a Property is sold, the Liquidation Proceeds will, together with any amount payable to the related Borrower on any related insurance contracts (to the extent such amounts may be applied by the Special Servicer in repayment of the related Whole Loan), be applied against the sums owing from the related Borrower to the extent necessary to repay the related Whole Loan.

Modifications, Waivers, Amendments and Consents

The Servicer or, in the case of a Specially Serviced Loan, the Special Servicer, will be responsible for responding to requests by Borrowers and Mortgagors for consents, modifications, waivers or amendments to the Credit Agreement and other documentation related to the Whole Loans. With respect to requests for consents, modifications, waivers or amendments not contemplated by the related Loan documents, the Servicer or, as applicable, the Special Servicer may exercise its discretion (always in accordance with the Servicing Standard) and agree to the request provided that:-

(a) the granting of consent or the making of the modification, waiver or amendment would be in accordance with the Servicing Standard; and

(b) the consent, if granted, would not:

    (i) release any Borrower or Mortgagor from any of its payment obligations under the related Whole Loan or Intercreditor Agreement;

    (ii) release any security for the related Whole Loan (unless a corresponding principal payment is made);

    (iii) require the Issuer, the Junior Lender or the Loan Security Trustee to make any further advance of monies;

    (iv) extend the final maturity date of the related Loan beyond the date which is three years prior to the Legal Final Maturity or 20 years before the expiry of a ground lease;

    (v) materially impair the security for such Whole Loan; or

    (vi) reduce the likelihood of timely payments of amounts due on such Whole Loan.

If the consent, modification or amendment is one of those contemplated above, the Servicer or the Special Servicer shall not grant its consent thereto without the prior consent of the Trustee and notification to the Rating Agencies.

Notwithstanding the foregoing, the Servicer or, as the case may be, the Special Servicer may not grant any consents, modifications, amendments or waivers in respect of a Whole Loan or Specially Serviced Loan, whether in the nature of any consent, modification, waiver or amendment contemplated above or any other modification, waiver or amendment of a Whole Loan, if the Servicer or, as the case may be, the Special Servicer, determines that such proposed consent, modification, amendment or waiver could have a material adverse effect on any class of Noteholders, without the Servicer or the Special Servicer, as the case may be, first having received, among other things, written confirmation from at least one Rating Agency (and in any case from S&P) that the then current ratings of each class of Notes would not be adversely affected as a result of such consent, modification, amendment or waiver. Furthermore, notwithstanding the above, the Servicer or the Special Servicer may consent to any other consent, modification, waiver or amendment in respect of a Whole Loan or a Specially Serviced Loan that is consistent with the Servicing Standard; provided that, in the event of any proposed consent, modification, amendment or waiver (including a modification of the payment terms (such as a waiver of principal or an adjustment of the applicable interest rate) of a Whole Loan or Specially Serviced Loan) that would likely have a material adverse effect on the Noteholders, the Servicer or the Special Servicer, as the case may be, shall be required to have received written confirmation from at least one Rating Agency (and in any case from S&P) that the then current ratings of each class of Notes would not be adversely affected as a result of such consent, modification, amendment or waiver.

If they are different entities, the Servicer will be required to obtain the consent of the Special Servicer (which will not be unreasonably withheld or delayed) to (i) change the property manager of any Property (other than in the case of a change of a property manager to an affiliate of such property manager); (ii) modify any material monetary terms or other material Borrower covenants under the Credit Agreement; and/or (iii) waive an event of default under the Credit Agreement. In deciding whether to grant or withhold its consent, the Special Servicer must act in accordance with the Servicing Standard and the Servicer will not be liable for failing to take the relevant action pending receipt of such consent or taking action consented to by the Special Servicer.

The Servicer and the Special Servicer will be required to deposit in the related mortgage file an original counterpart of any agreement related to a consent, modification, waiver or amendment agreed to by it promptly following its execution and to forward a copy to the Trustee and each Rating Agency. Upon reasonable prior written notice from the Trustee, any of the Rating Agencies or the Servicer or Special Servicer to the Servicer or, as applicable, Special Servicer, copies of each agreement by which any consent, modification, waiver or amendment of any term or any Loan is effected are required to be available for review during normal business hours at the offices of the Servicer.

Tranching Account

Pursuant to the Servicing Agreement, ABN AMRO Bank N.V. (London Branch) (in this capacity, the "**Operating Bank**") will open and maintain an account in its name (the "**Tranching Account**") (or such other accounts with any other branch and/or bank as may be opened to replace such accounts pursuant to the Servicing Agreement) into which will be received all amounts due to the Issuer and the Junior Lender pursuant to the Transaction Documents including payments under the Loan Swap Agreements. The Tranching Account is held by the Operating Bank under the Tranching Account Declaration of Trust on trust for the benefit of the Senior Lender, the Junior Lender, the Loan Swap Counterparties and the Borrowers. The Operating Bank has agreed to comply with the direction of the Servicer or the Loan Security Trustee to effect payments from the Tranching Account to the Junior Lender and the Issuer Transaction Account if such direction is made in writing.

Calculations by the Servicer

If a Loan Swap Payment is due to a Borrower on the following Interest Payment Date, the Servicer shall notify the Cash Manager (copied to the Liquidity Facility Provider) within 10 Business Days of a 3 month Sterling LIBOR interest rate being set for the following Interest Payment Date and whether or not a payment is due to be received by the Borrower from the Loan Swap Counterparties on the following Interest Payment Date.

The Servicer will calculate the amounts due from the Borrowers to the Issuer pursuant to the terms of the Credit Agreement and, two Business Days before each Loan Payment Date, transfer such amounts from the Collection Accounts into the Tranching Account. One Business Day prior to each Calculation Date, the Servicer will determine which of the amounts transferred constitute Borrower Interest Receipts, which constitute Borrower Principal Receipts and which constitute prepayment fees for the Whole Loans. The Servicer will also determine which portions of Borrower Principal Receipts consist of Amortisation Funds, Principal Recovery Funds, Final Redemption Funds and Prepayment Redemption Funds (each as defined in Condition 5) and the amount of all priority payments amounts which it is aware are required to be paid by the Issuer from time to time. The Servicer will notify the Cash Manager of all such determinations made by it by 10.00 a.m. (London time) one Business Day before each Calculation Date. The Servicer will transfer sums standing to the credit of the Tranching Account on the Loan Interest Payment Date in accordance with the Intercreditor Agreement.

Final Recovery Determination

If the Special Servicer determines at any time that there has been a recovery of all Liquidation Proceeds, insurance proceeds and any other payments that the Special Servicer has determined in accordance with the Servicing Standard, that will be ultimately recoverable in relation to a Loan (other than in respect of a Loan that was paid in full or which was repurchased by the Originator pursuant to the terms of the relevant Loan Sale Agreement) (a "**Final Recovery Determination**"), it is required to notify the Servicer, the Issuer, the Cash Manager and the Trustee of the amount of such Final Recovery Determination.

Annual Review

The Servicer or Special Servicer in the case of a Specially Serviced Loan is required to undertake an annual review of each Borrower, Mortgagor and each Whole Loan. The cost of conducting each annual review will be reimbursed by the Issuer. The Servicer or the Special Servicer, as the case may be, is however authorised to conduct the review process more frequently if the Servicer, acting in accordance with the Servicing Standard, has cause for concern as to the ability of a Borrower to meet its financial obligations pursuant to the terms of the Credit Agreement. Such a review may (but need not necessarily) include an assessment of the quality of the cash flow arising from them, along with a compliance check of all the Borrowers' and Mortgagor's financial covenants under the relevant Loan documents. The Servicer or Special Servicer in the case of a Specially Serviced Loan will be required to inspect each Property every two years (with the exception of the Millennium Bridge Property which will be inspected annually).

Ground Rents and Prevention of Forfeiture

The Servicer (as to each Whole Loan which is not a Specially Serviced Loan) and the Special Servicer (as to each Specially Serviced Loan) shall maintain accurate records with respect to each related Mortgaged Property reflecting the status of any ground rents payable in respect thereof and use reasonable efforts to confirm, from time to time, the payment of such items.

Subject to the paragraph below, the Servicer shall, on behalf of the Issuer, pay to the appropriate third party any ground rents not paid by the Borrower or Mortgagor in accordance with the Credit Agreement, including any penalties or other charges rising from the Borrower or Mortgagor's failure to timely pay such items. In addition, the Servicer, on being notified or becoming aware of steps being taken to forfeit a Borrower or Mortgagor's headlease in relation to any Property, shall, subject to the paragraph below, use all reasonable endeavours to prevent the forfeiture of such a Borrower's headlease or, where applicable, to obtain relief of the court in respect of such forfeiture (such actions to include, where necessary, the payment of all amounts due or owing by the relevant Borrower or Mortgagor pursuant to the terms of such headlease).

Notwithstanding the above, neither the Servicer nor the Special Servicer shall be required to pay any amount or take any action if, in its reasonable opinion, acting in accordance with the Servicing Standard, the expense of making such payment and/or taking such actions would not be to the benefit of the Noteholders as a collective whole.

Insurance

The Servicer (in relation to each Whole Loan which is not a Specially Serviced Loan) and the Special Servicer (in relation to each Specially Serviced Loan) shall use reasonable efforts consistent with the Servicing Standard to monitor each Borrower's and each Mortgagor's compliance with the requirements of the Credit Agreement regarding the maintenance of insurance of such Property.

Subject to the paragraph below, in the event that the Servicer (in the case of any Loan that is not a Specially Serviced Loan) or the Special Servicer (in the case of any Specially Serviced Loan) become aware that either (1) a Property is not covered by a buildings insurance policy; (2) a buildings insurance policy may lapse in relation to a Property due to the non payment of any premium; or (3) in the case of Victoria Embankment, JP Morgan Chase Bank, N.A., as the current tenant of the Property, can no longer maintain its own building insurance policy or carry its own insurance risk in accordance with its occupational lease, the Servicer or Special Servicer, as appropriate, shall procure a buildings insurance policy (with an insurer having (or whose obligations are guaranteed or backed, in writing, by entities having) a "claims paying ability" or "financial strength" rating, as applicable, of at least "A" from S&P and "A1" from Moody's) to be maintained in respect of such Property and shall on behalf of the Issuer, pay all necessary premiums (in the case of (1) preceding) or pay to the insurer any unpaid premiums, together with any penalties or other charges arising from the Borrower's or Mortgagor's failure to timely pay such items (in the case of (2) preceding).

Neither the Servicer nor the Special Servicer shall be required to pay any amount described above if, in its reasonable opinion, the expense of making such payment and/or taking such actions would not be in accordance with the Servicing Standard.

Under the Credit Agreement, the building insurance policies must be provided by approved insurance providers if the relevant Property insurance policy in place expires and a new policy is entered into.

In the case of the Prime Location Loan, the tenant itself or one of its subsidiaries is responsible for organising the insurances of the Property.

Other Matters

In addition to the duties described above, the terms of the Servicing Agreement require the Servicer to perform duties customary for a servicer of mortgage loans, such as retaining or arranging for the retention of loan and property deeds and other documents in safe custody and regularly informing the Issuer (copied to the Trustee) of any modifications and redemptions.

In no circumstances will the Servicer or, as applicable, the Special Servicer be liable for any obligation of a Borrower or, if different, a Mortgagor under a Whole Loan or have any liability to any third party for the obligations of the Issuer, the Loan Security Trustee or the Trustee or any other party to the Transaction Documents (as defined below). Neither the Servicer nor the Special Servicer will have any liability to the Issuer, the Loan Security Trustee or the Trustee, the Noteholders or any other person for any failure by the Issuer to make any payment due by it under the Notes or any of the documents listed under paragraph 9 of "*General Information*" (the "**Transaction Documents**"), unless such failure by the Issuer results from a failure by the Servicer and/or the Special Servicer, as the case may be, to perform its obligations under the Servicing Agreement.

The Servicer and/or the Special Servicer may become the owner or otherwise hold an interest in the Notes with the same rights as it would have if it were not the Servicer or the Special Servicer, as applicable. In assessing whether actions of the Servicer or, as the case may be, the Special Servicer were consistent with the Servicing Standard, no account will be taken of any such interest of the Servicer or Special Servicer in the Notes.

CASH MANAGEMENT

Cash Manager

Pursuant to an agreement to be entered into on or prior to the Closing Date between the Issuer, the Servicer, the Trustee, the Cash Manager and the Operating Bank (the "**Cash Management Agreement**"), each of the Issuer and the Trustee will appoint ABN AMRO Bank N.V. (London Branch) (in this capacity, the "**Cash Manager**") to be its agent to provide certain cash management services in relation to, among other things, the Issuer Transaction Account, as are more particularly described below. The Cash Manager will undertake with the Issuer and the Trustee in the Cash Management Agreement that in performing the services to be performed and in exercising its discretion under the Cash Management Agreement, the Cash Manager will exercise the same level of skill, care and diligence as it would apply if it were the beneficial owner of the moneys to which the services relate and that it will comply with any directions, orders and instructions which the Issuer or the Trustee may from time to time give to it in accordance with the provisions of the Cash Management Agreement.

Issuer's Accounts

(a) Issuer Transaction Account

Pursuant to the Cash Management Agreement, the Operating Bank will open and maintain an account in the name of the Issuer (the "**Issuer Transaction Account**") (or such other accounts with any other branch and/or bank as may be opened to replace such accounts pursuant to the Cash Management Agreement) into which will be received all amounts due to the Issuer pursuant to the Transaction Documents including payments under the Liquidity Facility. The Operating Bank has agreed to comply with any direction of the Cash Manager, the Issuer or the Trustee to effect payments from the Issuer Transaction Account if such direction is made in writing and in accordance with the mandate governing the applicable account.

(b) The Stand-by Account

Pursuant to the Cash Management Agreement, the Operating Bank will open and maintain an account in the name of the Issuer (the "**Stand-by Account**"). If the Liquidity Facility Provider elects not to grant a renewal of the Liquidity Facility upon the expiry of the term (and a replacement Liquidity Facility has not been entered into by the Issuer) or, if the Liquidity Facility Provider's unguaranteed, unsecured and unsubordinated short term debt ratings cease to be rated "A-1+" by S&P and "P-1" by Moody's, the Cash Manager on behalf of the Issuer shall draw down the whole of the undrawn portion (if any) of the Liquidity Facility and place such amount in this account in its name with the Operating Bank which shall then be available on equivalent terms to the terms on which the Liquidity Facility would have been available for drawing but for such drawdown.

(c) Cash Investment Account

Pursuant to the Cash Management Agreement, the Operating Bank will open and maintain an account in the name of the Issuer (the "**Cash Investment Account**") (or such other account with any branch/or bank as may be opened to replace such account pursuant to the Cash Management Agreement) for all amounts standing to the credit of the Issuer Transaction Account only in excess of £10,000. The excess from the Issuer Transaction Account will generally be swept on a daily basis into this account and (prior to the service of a Note Enforcement Notice) will be invested in Eligible Investments.

(d) Cash Reserve Account

Pursuant to the Cash Management Agreement, the Operating Bank will open and maintain an account in the name of the Issuer (the "**Cash Reserve Account**") (or such other accounts with any other branch and/or bank as may be opened to replace such accounts pursuant to the Cash Management

Agreement) into which will be received all amounts paid by the Originator to the Issuer on the Closing Date for such credit to the account. Such amounts will be used on any Interest Payment Date by the Issuer to pay any Prepayment Interest Arrears to the Noteholders of the relevant Class. The Operating Bank has agreed to comply with any direction of the Cash Manager, the Issuer or the Trustee to effect payments from the Cash Reserve Account if such direction is made in writing and in accordance with the mandate governing the applicable account.

Calculation of Amounts to be paid on an Interest Payment Date

On each Calculation Date (being the second Business Day prior to the relevant Interest Payment Date save in respect of the Final Interest Payment Date when it shall be the actual Interest Payment Date falling in October, 2013), the Cash Manager is required to determine, on the basis of information provided by the Servicer, in accordance with the Servicing Agreement, 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 such forthcoming Interest Payment Date and the amount of each Note Principal Payment due on the next following Interest Payment Date.

If the Cash Manager, acting on the basis of information provided to it by the Servicer, determines (i) two Business Days before any Calculation Date that a drawing is required to be made under the Liquidity Facility Agreement in respect of a Loan Swap Advance, (or (ii) on a Calculation Date that a drawing is required to be made under the Liquidity Facility Agreement in respect of a Senior Expenses Drawing) then the Cash Manager will on the date of such determination, on behalf of the Issuer, submit a notice of drawdown to the Liquidity Facility Provider. If the Cash Manager, acting on the basis of information provided to it by the Servicer, determines on any Calculation Date that a withdrawal is required to be made from the Cash Reserve Account in respect of any Prepayment Interest Arrears, then the Cash Manager will, on behalf of the Issuer, make such withdrawal to cover such Prepayment Interest Arrears on an Interest Payment Date before such amounts become in arrears. If the Cash Manager fails to make a withdrawal when it is required to do so, then either the Issuer or, if the Issuer fails to do so, the Trustee may make such withdrawal.

Flow of Funds between the Bank Accounts

Under the Servicing Agreement and in order to facilitate prompt payments due under the Notes on an Interest Payment Date, two Business Days before each Interest Payment Date (also being the Loan Interest Payment Date), the Servicer is entitled on behalf of the Loan Security Trustee to transfer all monies in the three Collection Accounts (being the net rental income amounts due under the Whole Loans) into the Tranching Account (see "*Loan Servicing – Tranching Account on page 89*"). Any interest which accrues on the Tranching Account during the two Business Day period before the Interest Payment Date shall be owed to the Borrowers (as a consequence of any early transfer of the balances of the Collection Accounts into the Tranching Account prior to a relevant Interest Payment Date, which would otherwise be accruing interest owed to them on their applicable Collection Accounts) and transferred automatically by the Operating Bank on account of the relevant Borrower once the interest is credited to the Tranching Account.

In addition, upon the instruction of the Cash Manager (based on information provided by the Servicer), all amounts under the Liquidity Facility Agreement required for payments to be made on the Interest Payment Date will be paid into the Issuer Transaction Account on the Calculation Date in the case of Loan Swap Advances and on the Interest Payment Date in the case of Senior Expenses Drawings. Any Standby Drawing will be paid into the Standby Account.

On the Interest Payment Date, the Servicer will withdraw the monies from the Tranching Account and apply them towards payment or repayment of the amounts set forth and in the order specified in the Intercreditor Agreement.

The Servicer will transfer sums paid to or for the benefit of the Issuer under the Senior Loans into the Issuer Transaction Account on the Interest Payment Date. Once such funds have been credited to the Issuer Transaction Account, the Cash Manager shall invest sums in excess of £10,000 in Eligible Investments and is required to apply such funds in accordance with the Deed of Charge and Assignment and the Cash Management Agreement. In respect of the Junior Loans, the Servicer will transfer sums paid to or for the benefit of the Junior Lender directly into its collection account.

On each Interest Payment Date, the Cash Manager will determine and pay on behalf of the Issuer, out of the Available Interest Receipts and Available Principal determined by the Cash Manager to be available for such purposes as described above, each of the payments required to be paid pursuant to and in the priority set forth in the Deed of Charge and Assignment.

Priority Amounts

On the Loan Interest Payment Date, in accordance with the Loan Swap Agreements, the Loan Swap Counterparties will transfer all sums owed by them to the Borrowers on such date into the Tranching Account. Such amounts in relation to the Senior Loans will then be transferred upon the instruction of the Servicer into the Issuer Transaction Account which will then be paid by the Issuer to the Liquidity Facility Provider in repayment of any outstanding Loan Swap Advance (and any related interest amounts) (for further information, see "*Credit Structure – 3. Liquidity Facility – Repayment of Loan Swap Advances*" on page 99). Such amounts in relation to the Junior Loans will be transferred by the Servicer into the relevant account of the Junior Lender.

As discussed above, in order to facilitate prompt payments due under the Notes on an Interest Payment Date, two Business Days before each Interest Payment Date, the Servicer is entitled on behalf of the Loan Security Trustee to transfer all monies in the three Collection Accounts into the Tranching Account. In such case, the Borrowers will be entitled to be paid interest on such monies up to any Interest Payment Date, so long as no Loan Event of Default has occurred, and the Operating Bank will transfer such interest amounts received on the Tranching Account from the date of transfer until the applicable Interest Payment Date to an account bank of the relevant Borrower once the interest is credited to the Tranching Account.

Principal Deficiency Ledger

The Cash Manager will maintain a principal deficiency ledger (the "**Principal Deficiency Ledger**") for each class of Notes. When a Loan has defaulted and the Servicer has made a Final Recovery Determination and an amount of principal remains outstanding, an amount shall be applied to the Principal Deficiency Ledger in an amount equal to the principal amount still outstanding in respect of that Loan.

The Principal Deficiency Ledger comprises four sub-ledgers, known as the "**A Note Principal Deficiency Ledger**", the "**B Note Principal Deficiency Ledger**", the "**C Note Principal Deficiency Ledger**" and "**D Note Principal Deficiency Ledger**", respectively, amounts applied to the Principal Deficiency Ledger shall be credited by the Cash Manager to the sub-ledgers in the following order:

(i) first, the D Note Principal Deficiency Ledger, subject to a maximum balance on such sub-ledger equal to the Principal Amount Outstanding of the Class D Notes from time to time;

(ii) second, the C Note Principal Deficiency Ledger, subject to a maximum balance on such sub-ledger equal to the Principal Amount Outstanding of the Class C Notes from time to time;

(iii) third, the B Note Principal Deficiency Ledger, subject to a maximum balance on such sub-ledger equal to the Principal Amount Outstanding of the Class B Notes from time to time; and

(iv) fourth, the A Note Principal Deficiency Ledger, subject to a maximum balance on such sub-ledger equal to the Principal Amount Outstanding of the Class A Notes from time to time.

Any debits to these sub-ledgers will be made in reverse order.

Delegation by the Cash Manager

The Cash Manager may, in certain circumstances, without the consent of the Issuer or the Trustee, sub-contract or delegate its obligations under the Cash Management Agreement. Notwithstanding any sub-contracting or delegation of the performance of any of its obligations under the Cash Management Agreement, the Cash Manager will not be released or discharged from any liability under the Cash Management Agreement and will remain responsible for the performance of its obligations under the Cash Management Agreement by any sub-contractor or delegate.

Cash Management Fee

Pursuant to the Cash Management Agreement, 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 and the Operating Bank for all out-of-pocket costs and expenses properly incurred by them in the performance of the services to be provided by them under the Cash Management Agreement as Cash Manager and Operating Bank, respectively. Any successor cash manager will receive remuneration on the same basis.

Both before and (subject to certain exceptions) after enforcement of the Notes amounts payable by the Issuer to the Cash Manager and the Operating Bank will be payable in priority to payments due on the Notes. This order of priority has been agreed with a view to procuring the continuing performance by each of the Cash Manager and the Operating Bank of their duties in relation to the Issuer, the Trustee, the Loans, the Loan Security and the Notes.

Termination of Appointment of the Cash Manager

The appointment of the Cash Manager may be terminated by virtue of its resignation or its removal by the Issuer or the Trustee. 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, (i) 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 in accordance with the Cash Management Agreement, or (ii) a default in the performance of any of its other duties under the Cash Management Agreement which continues unremedied for a period of 15 Business Days after the earlier of the Cash Manager becoming aware of such default or receipt by the Cash Manager of written notice from the Trustee requiring the same to be remedied, or (iii) a petition is presented or an effective resolution passed for its winding up or the appointment of an administrator or similar officer or such officer is otherwise appointed. On the termination of the appointment of the Cash Manager by the Trustee, the Trustee may, subject to certain conditions, appoint a successor cash manager.

The Cash Manager may resign as Cash Manager upon not less than three months' written notice of resignation to each of the Issuer, the Servicer, the Operating Bank and the Trustee provided that a suitably qualified successor Cash Manager shall have been appointed.

Termination of Appointment of the Operating Bank

The Cash Management Agreement requires that the Operating Bank be, except in certain limited circumstances, a bank which is an Authorised Entity. If the Operating Bank ceases to be an Authorised Entity, the Operating Bank will give written notice of such event to the Issuer, the Servicer, the Cash Manager and the Trustee and will, within 30 days after such downgrade procure the transfer of the Issuer Transaction Account and each other account held by the Issuer with the Operating Bank to another bank which is an Authorised Entity. If at the time when a transfer of such account or accounts would otherwise have to be made, there is no other bank which is an Authorised Entity or if no Authorised Entity agrees to such a transfer, the Cash Manager shall take such other action as may be acceptable to the Rating Agencies.

An "**Authorised Entity**" is an entity the short-term unsecured, unguaranteed and unsubordinated debt obligations of which are rated at least at the Requisite Rating or, if at the relevant time there is no such entity, any entity approved in writing by the Trustee.

"**Requisite Rating**" means, in relation to any party, an "A-1" rating (or its equivalent) by S&P and "P-1" rating (or its equivalent) by Moody's for such party's short term, unguaranteed, unsecured and unsubordinated debt obligations.

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

Reports to Noteholders; Available Information

Noteholder Reports. Based solely on information provided in reports prepared by the Servicer and the Special Servicer and delivered to the Cash Manager, the Cash Manager will be required to provide or otherwise make available as described under "Information Available Electronically" below, on each Interest Payment Date, to the Trustee, for the benefit of and on behalf of the Noteholders, and the Rating Agencies:

- a Payment Date Statement (as defined in the Master Definitions Agreement); and
- a Loan Periodic Update File, a Financial File and a Property File setting forth information with respect to the Whole Loans and the Properties, respectively, each in the form approved by the Commercial Mortgage Securities Association ("**CMSA**").

The Servicer or the Special Servicer, as specified in the Servicing Agreement, are required to deliver to the Cash Manager periodically, and the Cash Manager is required to make available, as described below under "Information Available Electronically", and to the Rating Agencies, a copy of each of the following reports with respect to the Whole Loans:

- a CMSA Historical Liquidation Report;
- a CMSA Delinquent Loan Status Report;
- a CMSA Historical Loan Modification Report;
- a Servicer Watch List; and
- a Comparative Financial Status Report.

The reports identified in the preceding two paragraphs will be in the form as prescribed in the most recent standard CMSA investor reporting package (as it or each such report may be modified to reflect the fact that the Properties are located in the United Kingdom).

Information Available Electronically The Cash Manager will make available quarterly, for the relevant reporting periods, to the Trustee, on behalf of the Noteholders, the payment date statement and the mortgage loan information presented in the standard CMSA investor reporting package format via the Cash Manager's internet website. All the foregoing reports will be accessible only with a password provided by the Cash Manager free to any Noteholder upon due certification of its status as a Noteholder to the satisfaction of the Cash Manager. The Cash Manager shall be entitled to rely on such certification without responsibility or liability and shall not be responsible for verifying the contents of any such certificate provided to it. Further, the Cash Manager shall not be liable or responsible for any unauthorised access to the foregoing reports that is obtained by any person who has obtained the password by any other means or who has falsely or fraudulently certified that it is a

Noteholder to the Cash Manager. The Cash Manager's internet website will initially be located at www.eTrustee.net. The Cash Manager's internet website does not form part of this Prospectus.

The Cash Manager will not make any representations or warranties as to the accuracy or completeness of, and may disclaim responsibility for, any information made available by the Cash Manager for which it is not the original source.

CREDIT STRUCTURE

The composition of the Loans and the Loan Security and the structure of the transaction and the other arrangements for the protection of the Noteholders, in the light of the risks involved, have been reviewed by the Rating Agencies. The ratings assigned by the Rating Agencies to each class of Notes are set out in "*Summary— The Notes — Ratings*". 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 the assigning rating organisation. 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. Consequently, a qualification, downgrade or withdrawal of either such ratings may have an adverse effect on the ratings of the Notes.

The principal risks associated with the Notes and the manner in which they are addressed in the structure are set out below. Attention is also drawn to the section of this Prospectus entitled "*Risk Factors*" for a description of the principal risks in respect of, *inter alia*, the Loans and Loan Security.

1. Liquidity and Credit Risk

The Issuer is subject to:

(a) the risk of delay arising between scheduled dates for the payment of interest and repayment of principal in respect a Loan (a "**Loan Payment Date**") and the receipt of payments due from the Borrowers. This risk is addressed in respect of the Notes through the ability of the Issuer to seek drawings (each a "**Senior Expenses Drawing**") under the Liquidity Facility Agreement to cover shortfalls in funds required to make due payment of interest under the Notes;

(b) the risk of delay on Interest Payment Dates in the payment of amounts due to a Borrower from a Loan Swap Counterparty under a Loan Swap Counterparty Agreement in respect of a Loan and the receipt of such payments then due from the Borrower. Such amounts are required to have been received by the Operating Bank two Business Days before an Interest Payment Date to facilitate prompt payments to the Lenders on such Interest Payment Date. This risk is addressed in respect of the Notes through the ability of the Issuer to seek drawings (a "**Loan Swap Advance**") under the Liquidity Facility Agreement to cover any advance of such amounts to the Operating Bank to make due payment of interest under the Notes; and

(c) the risk of default in payment and the failure by the Servicer or the Special Servicer, on behalf of the Issuer, to realise or to recover sufficient funds under the enforcement procedures in respect of the relevant Loan and Loan Security in order to discharge all amounts due and owing by the relevant Borrower under a Loan. This risk is addressed in respect of the Notes by the credit support provided to classes of Notes by those classes of Notes (if any) ranking lower in priority to that class.

2. Liabilities under the Notes

The Notes and interest on the Notes will not be obligations or responsibilities of any person other than the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, the Originator or any associated entity of the Originator, or of or by the Managers, the Servicer, the Special Servicer, the Trustee, the Corporate Services Provider, the Share Trustee, the Paying Agents, the Agent Bank, the Liquidity Facility Provider, the Cash Manager or the Operating Bank or any company in the same group of companies as those parties listed above and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

On each Interest Payment Date, payments of interest on the Class B Notes, the Class C Notes and the Class D Notes, respectively, will be due and payable only if and to the extent that there are sufficient funds available to the Issuer to pay interest on the Class A Notes and other liabilities of the Issuer ranking higher in priority to interest payments on the Class B Notes, the Class C Notes and the Class D Notes, respectively, as provided in "*Cash Flows — Payments out of the Issuer Transaction Account*", and which have been paid or provided for in full. To the extent that there are insufficient funds available to the Issuer on any Interest Payment Date to pay in full interest otherwise due on any one or more classes of junior-ranking Notes then outstanding, after making the payments and provisions ranking higher in priority to the relevant interest payment, as the case may be, such interest will not then be due and payable but will become due and payable, together with accrued interest on such Notes, on subsequent Interest Payment Dates, if and to the extent that funds are then available or at the latest on the date on which the relevant Notes are due to be redeemed in full.

3. Liquidity Facility

Senior Expenses Drawings

To address the risk of Available Interest Receipts being insufficient to cover all interest payments due under the Class A Notes, Class B Notes and Class C Notes and the Class D Notes, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider and the Trustee under which the Liquidity Facility Provider will provide a revolving committed liquidity facility to the Issuer, in an initial amount equal to £36,112,500. Investors should note that the purpose of the Liquidity Facility Agreement is to provide liquidity, not credit support, and that the Liquidity Facility Provider is entitled to receive interest on drawings made under the Liquidity Facility Agreement in priority to payments to be made to Noteholders which would ultimately reduce the amount available for distribution to Noteholders.

The Liquidity Facility will be available to cover interest payments due under the Notes, other than Prepayment Interest Arrears, to the extent that there is a shortfall and to the extent specified below. Amounts from the Stand-by Account will be available to be drawn by the Issuer on equivalent terms to the Liquidity Facility. Interest due under the Class D Notes and covered by any Senior Expenses Drawings under the Liquidity Facility will be restricted to a total of 15 months of interest at any one time (being up to five consecutive Senior Expenses Drawings) due under the Class D Notes. A separate Cash Reserve Account will be established in the name of the Issuer with the Operating Bank to be used by the Issuer to make payments on any Interest Payment Date of any Prepayment Interest Arrears to the relevant Class of Noteholders.

On each Calculation Date, the Cash Manager will determine whether Available Interest Receipts will be sufficient to make payments due in respect of items (i) to (vi) of the Pre-Enforcement Interest Priority of Payments. If there is an anticipated shortfall in Available Interest Receipts, the Cash Manager will make a Senior Expenses Drawing.

The amount of the advance will, subject as set out below, equal the aggregate shortfall amount. The proceeds of any such drawings will be credited to the Issuer Transaction Account.

Repayment of Senior Expenses Drawings

The Issuer shall repay together with accrued interest thereon each Senior Expenses Drawing made to it in full on the Liquidity Advance Repayment Date therefor.

Loan Swap Advance

The Liquidity Facility will also be available to advance in relation the Senior Loans on any Loan Interest Payment Date in amounts equal to payments due from the Loan Swap Counterparties to the Borrowers under the Loan Swap Agreements. Any Loan Swap Advance will be paid into the Issuer Transaction Account two Business Days prior to an Interest Payment Date.

The amount of the advance will, subject as set out below, equal the amount owed to the Borrowers by the Loan Swap Counterparties. The Cash Manager shall not be able to make a Loan Swap

Advance drawing under the Liquidity Facility if a Loan Swap Advance is outstanding and has not been repaid as set out below.

Repayment of Loan Swap Advance

The Issuer shall repay each Loan Swap Advance made to it in full on the Liquidity Advance Repayment Date. The Issuer shall pay interest accrued on such Loan Swap Advance on such Liquidity Advance Repayment Date or, if such Liquidity Advance Repayment Date is not an Interest Payment Date, on the next Interest Payment Date following such Liquidity Advance Repayment Date.

Interest shall accrue on any interest accrued on a Loan Swap Advance and not paid on the Interest Payment Date immediately following after such Loan Swap Advance.

"**Liquidity Advance Repayment Date**" means:

(a) with respect to a Senior Expenses Drawing, the Interest Payment Date immediately following the Liquidity Drawdown Date of such Senior Expenses Drawing; and

(b) with respect to a Loan Swap Advance in relation to a payment to be made by a Loan Swap Counterparty (a "**Loan Swap Payment**"):

   (i) if such Loan Swap Payment is received on or prior to the relevant Interest Payment Date immediately following the Liquidity Drawdown Date of such Loan Swap Advance and before the payments have been made in accordance with the Pre-Enforcement Priority of Payments on such Interest Payment Date, such Interest Payment Date;

   (ii) if such Loan Swap Payment is received on such Interest Payment Date (after the payments have been made in accordance with the Pre-Enforcement Priority of Payments on such Interest Payment Date) or during the immediately following Collection Period, the Business Day on which such Loan Swap Payment is made; or

   (iii) if neither of the conditions in paragraphs (i) and (ii) is satisfied, then on the second Interest Payment Date following the Liquidity Drawdown Date of such Loan Swap Advance.

If a Loan Swap Advance is made in relation to more than one Loan Swap Payment, then the tests at paragraphs (b)(i) and (b)(ii) above shall be applied in relation to each part of such Loan Swap Advance as such part relates to a particular Loan Swap Payment.

"**Liquidity Drawdown Date**" means in respect of a Loan Swap Advance, a Senior Expenses Drawing or a Stand-by Drawing the date such Loan Swap Advance, Senior Expenses Drawing or Stand-by Drawing (as the case may be) is made.

Amortisation

The initial liquidity facility amount will be £36,112,500 and this will start to reduce in line with the Notes' aggregate principal balance when the Principal Amount Outstanding of the Notes is less than £294,000,000. If the Principal Amount Outstanding of the Notes is less than or equal to £294,000,000 but greater than £200,000,000 the liquidity facility amount will reduce on each Interest Payment Date in line with the Principal Amount Outstanding of the Notes, such that the available liquidity facility will the higher of (i) 7.25 per cent. of the Principal Amount Outstanding of the Notes and (ii) £15,500,000. Upon the Principal Amount Outstanding of the Notes being equal to or less than £200,000,000, the liquidity facility amount will be the higher of (i) 7.75 per cent. of the Principal Amount Outstanding of the Notes and (ii) £12,000,000. Drawings under the liquidity facility are of a revolving nature, repayable on the Loan Interest Payment Date next following the date of drawing. Amounts repaid may be redrawn.

The Liquidity Facility Agreement may be renewed until the earlier of October 2013 or such date the interest payment obligations of the Loans has been reduced to zero. The Liquidity Facility Agreement will provide that if at any time the rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider falls below the Requisite Rating, or the Liquidity Facility Provider refuses to renew the Liquidity Facility Agreement, then the Issuer may appoint a replacement liquidity facility provider with the Requisite Rating and acceptable to the Trustee. In the event that the Issuer is not able to appoint a replacement liquidity facility provider pursuant to the terms of the Liquidity Facility Agreement, then the Cash Manager will make a drawing under the Stand-by Facility (a "**Stand-by Drawing**") equal to the Liquidity Facility Provider's undrawn commitment under the Liquidity Facility Agreement and pay such amount into the Stand-by Account. In the event that the Cash Manager makes a Stand-by Drawing and/or there are, during an Interest Period, sums standing to the credit of the Transaction Account, the Cash Manager is required (save to the extent that the same are required to make payments on behalf of the Issuer prior to the next following Interest Payment Date) to invest such funds in Eligible Investments.

Amounts standing to the credit of the Stand-by Account will be available to the Issuer for drawing in respect of a Senior Expenses Drawing as described above, and otherwise in the circumstances provided in the Liquidity Facility Agreement. Following enforcement of the Issuer Security, all funds standing to the credit of the Stand-by Account will be repaid to the Liquidity Facility Provider.

4. Loan Swap Agreements

In accordance with the terms of the Credit Agreement and as at the drawdown date of the Loans, Prime Locations entered into hedging arrangements with SG (acting in this instance in the capacity of Loan Swap Counterparty A) in the form of an ISDA 1992 Master Agreement (Multicurrency – Cross Border), in order to hedge its interest rate liabilities in relation to all or part of the monies payable under its Loan and Victoria Embankment and Millennium Bridge entered into hedging arrangements with Barclays Bank PLC (acting in this instance in the capacity of Loan Swap Counterparty B) in the form of ISDA 1992 Master Agreements (Multicurrency-Cross Border), in order to hedge their interest rate liabilities in relation to all or part of the monies payable under their Loans (see "*The Loans and the Loan Security – Credit Agreement - Hedging Arrangements*"). The Loan Swap Agreements each contain swap rating downgrade provisions (see "*The Loans and the Loan Security –* The Credit Agreement – *Hedging Arrangements*" on page 56).

The interest rate in respect of the Loans will be determined on the same dates that the interest rate will be determined in respect of the Notes for the corresponding interest period. As a result, it will not be necessary for the Issuer to enter into any basis swap arrangement to protect against any difference or shortfall that might arise as a result of any Loan and Notes interest rate calculation mismatch.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed.

The £281,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2013 (the "**Class A Notes**"), the £80,300,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2013 (the "**Class B Notes**"), the £71,950,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2013 (the "**Class C Notes**") and the £101,750,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2013 (the "**Class D Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Notes**") of White Tower 2006-1 plc (the "**Issuer**") are constituted by a trust deed dated on or about 10 April, 2006 (the "**Trust Deed**", which expression includes such trust deed as from time to time may be modified in accordance with its provisions and any deed or other document expressed to be supplemental to it as from time to time so modified) and made between the Issuer and ABN AMRO Trustees Limited (the "**Trustee**", which expression includes its successors or any further or other trustee under the Trust Deed) as trustee for the holders for the time being of the Notes. Any reference to a "**class**" of Notes or of Noteholders shall be a reference to any, or all of, the respective Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes or any or all of their respective holders, as the case may be.

These terms and conditions ("**Conditions**") include summaries of, and are subject to the detailed provisions of, the Trust Deed and the Deed of Charge and Assignment (as defined below). The following agreements have been or will be entered into on or prior to the Closing Date in relation to the Notes:

(i) an agency agreement dated on or about the Closing Date (the "**Agency Agreement**") between the Issuer, ABN AMRO Bank N.V. (London Branch), in its capacity as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor or substitute principal paying agent) and in its capacity as agent bank (the "**Agent Bank**", which expression shall include any successor or substitute agent bank appointed pursuant to the Agency Agreement), NCB Stockbrokers Limited in its capacity as Irish paying agent (the "**Irish Paying Agent**", which expression shall include any successor or substitute Irish paying agent and, together with the Principal Paying Agent and any other paying agent appointed pursuant to the Agency Agreement, the "**Paying Agents**") and the Trustee;

(ii) a cash management agreement dated on or about the Closing Date (the "**Cash Management Agreement**") between ABN AMRO Bank N.V. (London Branch) as operating bank (the "**Operating Bank**", which expression shall include any successor or substitute bank appointed pursuant to the terms of the Cash Management Agreement) and in its capacity as cash manager (the "**Cash Manager**", which expression shall include any successor or substitute cash manager appointed pursuant to the terms of the Cash Management Agreement), the Originator, the Servicer, the Special Servicer, the Issuer and the Trustee;

(iii) a deed of charge and assignment dated on or about the Closing Date (the "**Deed of Charge and Assignment**") between, amongst others, the Issuer and the Trustee;

(iv) a servicing agreement dated on or about the Closing Date (the "**Servicing Agreement**") between the Issuer, the Trustee, the Junior Lender, Hatfield Philips International Limited in its capacity as servicer (the "**Servicer**", which expression shall include any successor or substitute servicer appointed pursuant to the terms of the Servicing Agreement) and in its capacity as the special servicer (the "**Special Servicer**", which expression shall include any successor or substitute special servicer appointed pursuant to the terms of the Servicing Agreement);

(v) a liquidity facility agreement dated on or about the Closing Date (the "**Liquidity Facility Agreement**") between the Issuer, Lloyds TSB Bank plc in its capacity as liquidity facility provider (the "**Liquidity Facility Provider**", which expression shall include any person to whom some or all of the rights and obligations under the Liquidity Facility Agreement are transferred or novated) and the Trustee;

(vi) a loan sale agreement dated on or about the Closing Date (the "**Loan Sale Agreement**") between Société Générale in its capacity as originator (the "**Originator**"), the Issuer and the Trustee;

(vii) a corporate services agreement dated on or about the Closing Date (the "**Corporate Services Agreement**") between the Issuer, Structured Finance Management Limited (the "**Corporate Services Provider**"), PECO and SFM Corporate Services Limited (the "**Share Trustee**");

(viii) the post-enforcement call option agreement dated on or about the Closing Date (the "**Post-Enforcement Call Option Agreement**") between PECO and the Trustee;

(ix) a subscription agreement dated on or about 5 April, 2006 (the "**Subscription Agreement**") between, amongst others, Société Générale and the Issuer; and

(x) a master definitions agreement dated on or about the Closing Date (the "**Master Definitions Agreement**") between, amongst others, the Issuer and the Trustee.

Copies of the Trust Deed, the Agency Agreement, the Cash Management Agreement, the Deed of Charge and Assignment, the Servicing Agreement, the Liquidity Facility Agreement, the Loan Sale Agreement, the Corporate Services Agreement, the Subscription Agreement and the Master Definitions Agreement are available for inspection during normal business hours at the principal office of the Principal Paying Agent (presently ABN AMRO Bank N.V. (London Branch) and the Irish Paying Agent (presently at NCB Stockbrokers Limited) for the time being. Noteholders and the holders (the "**Couponholders**") of the interest coupons relating to the Notes in definitive form (the "**Coupons**") and, where applicable, talons for further Coupons (the "**Talons**") are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Trust Deed and the other Transaction Documents applicable to them.

1. Definitions

"**Adjusted Principal Amount**" means (as of any relevant date) the principal amount of all the Junior Loans then outstanding less any Appraisal Reduction Amount.

"**Appraisal Reduction Amount**" means

(a) with respect to all the Junior Loans, the sum calculated in accordance with the following formula:

£(a - b) – (c - d)

where

a = the aggregate of the Liabilities;

b= the aggregate of any sums (in cleared funds) standing to the credit of the Collection Accounts;

c = 90 per cent. of the open market values of each of the Properties (after deduction of the amount required to redeem other charges or security interests ranking in priority to those created by the Mortgages) as determined by the most recent Valuations provided that if, as of any relevant date, any Valuation is dated more than 12 months previously, the Servicer or the Special Servicer (or, if neither are in office at the relevant time, the Agent) shall commission a further and/or updated Valuation in respect of the relative Property and Properties for the purposes of making this calculation; and

d = amounts due but unpaid by way of rent or other sums payable under the terms of any headlease under which any Property is held

(b) with respect to any class of Notes the sum calculated in accordance with (a) above but after further deduction of (i) the principal amount outstanding under the Junior Loans and (ii) the principal amount outstanding of any Class of Notes junior to the Class of Notes in respect of which such calculation is to be made

provided that, if any such calculation produces a negative amount, then in such circumstances the Appraisal Reduction Amount shall be zero.

"**Available Interest Receipts**" means, on each Interest Payment Date, prior to the service of a Note Enforcement Notice, the aggregate amount of:

(i) all Borrower Interest Receipts transferred by or at the direction of the Servicer into the Issuer Transaction Account during the Collection Period ended immediately before such Interest Payment Date (the "**Relevant Collection Period**") (net of any Borrower Interest Receipts applied during such Collection Period in payment of any of the Priority Amounts);

(ii) the proceeds of any Eligible Investments and any interest accrued upon the Issuer's Accounts and paid into the Issuer Transaction Account;

(iii) the proceeds of any Senior Expenses Drawing or Loan Swap Advance made under and in accordance with the Liquidity Facility Agreement in respect of such Interest Payment Date;

(iv) any amount deducted from Available Principal Recovery Funds for the purpose of paying Liquidation Fees; and

(v) all other monies received by the Issuer and treated as being of a revenue nature.

In the case of sums referred to in (i), (ii), (iv) and (v) being such amounts received during the Relevant Collection Period and in the case of sums referred to in (iii) being such amounts received on the relevant Calculation Date in the case of a Loan Swap Advance or on the relevant Interest Payment Date in the case of a Senior Expenses Drawing.

"**Available Principal**" means, on each Interest Payment Date, the Available Amortisation Funds, the Available Prepayment Funds, the Available Redemption Funds and the Available Principal Recovery Funds, collectively, in respect of the Collection Period ending immediately before such Interest Payment Date.

"**Basic Terms Modification**" means any of the following matters in respect of the Notes of any class, namely any modification of the date of maturity of such Notes, any modification which would have the effect of postponing any day for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes, or altering the currency of payment of such Notes (other than redenomination of the Notes pursuant to Condition 7(i)) or of interest thereon, or any alteration of this definition of "Basic Terms Modification" or of the majority required to pass any Extraordinary Resolution.

"Borrower" means, in relation to each Loan, the body corporate, trust, partnership, other body or person, as the case may be, from time to time assuming an obligation to repay such Loan.

"**Borrower Interest Receipts**" means all payments of interest, fees breakage costs, expenses, commissions and other sums (other than principal) paid by Borrowers in respect of Loans, including recoveries of such amounts on enforcement of a Loan and its related Mortgage and Loan Security.

"**Business Day**", means (other than in relation to Condition 5 and Condition 7) a day (other than a Saturday or a Sunday) which is 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 London.

"**Calculation Date**" means the second Business Day prior to the relevant Interest Payment Date save in respect of the Final Interest Payment Date when it means the actual Interest Payment Date falling in October 2013.

"**Cash Investment Account**" means the account in the name of the Issuer, with account number 40215490 (account ref: 700341.3) at the Operating Bank with sort code 40-50-30 and entitled "White Tower 2006-1 No. 1 plc Cash Investments Account" or such other account of the Issuer as the Trustee may approve with the Operating Bank in accordance with the provisions of the Cash Management Agreement.

"**Cash Reserve Account**" means the account in the name of the Issuer, with account number 40215490 (account ref: 700341.4) at the Operating Bank with sort code 40-50-30 and entitled "White Tower 2006-1 Cash Reserve Account" or such other account of the Issuer as the Trustee may approve with the Operating Bank in accordance with the provisions of the Cash Management Agreement.

"**Charged Property**" means all of the assets, rights and undertaking of the Issuer whatsoever and wheresoever situated, present and future, for the time being held as security (whether fixed or floating) for the secured amounts under or pursuant to the Deed of Charge and Assignment.

"**Class A Noteholders**" means holders of the Class A Notes.

"**Class B Noteholders**" means holders of the Class B Notes.

"**Class C Noteholders**" means holders of the Class C Notes.

"**Class D Noteholders**" means holders of the Class D Notes.

"**Closing Date**" means 10 April, 2006 or such other date as may be agreed between the Issuer and the managers that are parties to the Subscription Agreement.

"**Collection Period**" has the meaning given to such term in Condition 5(b)(A).

"**Controlling Class**" means the holders of the Most Junior Class of Notes outstanding at the relevant time provided that, if at any time such class of Notes does not satisfy the Controlling Class Test then the Controlling Class shall be the holders of the next Most Junior Class of Notes which does satisfy the Controlling Class Test.

"**Controlling Class Test**" shall, in relation to any class of Notes, be satisfied if at the relevant time the total principal amount outstanding of such class of Notes (after the application of any Appraisal Reduction Amount) is not less than 25% of the initial principal amount outstanding of such class of Notes on the Closing Date provided further that, if no class of Notes satisfies these requirements, then the Controlling Class will be the Most Junior Class of Notes then outstanding.

"**Controlling Class Representative**" means the representative appointed by the Controlling Class to represent its interests pursuant to the Conditions and the Servicing Agreement.

"**Controlling Party**" means the Junior Lender provided that if, at any relevant time, the actual aggregate principal amount (or, if lower, the Adjusted Principal Amount) of the Junior Loans is less than 25% of the initial aggregate principal amount of the Junior Loans then the Controlling Party shall be the Controlling Class.

"**Credit Agreement**" means, in respect of the Whole Loans, the Credit Agreement documenting such Whole Loans.

"**Debenture**" means a debenture or charge deed granted by a Borrower or a Mortgagor over its assets as security for a Loan and for other liabilities owing from time to time to the Originator, brief particulars of which are set out in Schedule 3 Part B of the Loan Sale Agreement.

"**Deferred Consideration**" means the amounts payable by way of deferred consideration for the purchase of the Loans and the Originator's interest in the Loan Security pursuant to the Loan Sale Agreement.

"**Definitive Notes**" means in respect of any class of Notes, the Notes of the relevant class in definitive form.

"**Eligible Investments**" means (i) commercial paper and other marketable debt securities issued by any central government of any member of the European Union having been assigned short term unsecured debt credit ratings by the Rating Agencies at least equal to (in the case of S&P) A-1+, and (in the case of Moody's) P-1, and having been assigned a long term unsecured debt credit rating by Moody's of A1; (ii) certificates of deposit, demand and term deposits of, and banker's acceptances sold by eligible depository institutions and trust companies having been assigned short term unsecured debt credit ratings by the Rating Agencies of at least (in the case of S&P) A-1+ and (in the case of Moody's) P-1 and having been assigned a long term unsecured debt credit rating by Moody's of A1; and (iii) investments in short term investment funds and in money market instruments with a credit rating from S&P of AAA and Aaa from Moody's and (iv) any other investments confirmed in writing as acceptable to the Rating Agencies; provided that all such investments are denominated in sterling, are held by a custodian (where applicable), have a fixed principal amount at maturity and such investments will mature at least one Business Day prior to the next Interest Payment Date.

"**Eligible Noteholders**" means:

(a) the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class A Notes then outstanding; or

(b) if there are no Class A Notes outstanding, the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class B Notes then outstanding; or

(c) if there are no Class A Notes and no Class B Notes outstanding, the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class C Notes then outstanding; or

(d) if there are no Class A Notes, no Class B Notes and no Class C Notes outstanding, the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class D Notes then outstanding.

"**Event of Default**" has the meaning given to such term in Condition 10.

"**Extraordinary Resolution**" means a resolution passed at a meeting of the relevant class of Noteholders duly convened and held in accordance with the provisions contained in the Trust Deed by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes given on such poll.

"**Final Interest Payment Date**" means the Interest Payment Date falling in October, 2013.

"**Interest Determination Date**" means the first Business Day of each Interest Period or, in the case of the first Interest Period, the Closing Date.

"**Interest Payment**" means, in respect of an Interest Period, the amount of interest payable on the Notes of each class.

"**Interest Payment Date**" means the 23rd day of January, April, July and October in each year (or, if such day is not a Business Day, the next succeeding Business Day unless such Business Day falls in the next succeeding calendar month in which event the immediately preceding Business Day).

"**Intercreditor Agreement**" means the intercreditor agreement entered into between the Borrowers, the Loan Swap Counterparties and the Loan Security Trustee in relation to the Whole Loans.

"**Interest Period**" means the period beginning on (and including) the Closing Date and ending on (but excluding) the Interest Payment Date falling in April, 2006 and each successive period commencing on such Interest Payment Date and each subsequent Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

"**Irish Stock Exchange**" means the Irish Stock Exchange Limited.

"**Issuer's Accounts**" means the Issuer Transaction Account, the Stand-by Account and the Cash Investments Account.

"**Issuer Security**" means the security created by or pursuant to Clause 3 of the Deed of Charge and Assignment.

"**Issuer Transaction Account**" means the account in the name of the Issuer, with account number 40215490 (account ref: 700341.1) at the Operating Bank with sort code 40-50-30 and entitled "White Tower 2006-1 Issuer Transaction Account" or such other account of the Issuer as the Trustee may approve with the Operating Bank in accordance with the provisions of the Cash Management Agreement.

"**Junior Lender**" means the holder of interests in a Whole Loan other than the Issuer.

"**Junior Loan**" means the junior portion of a Whole Loan.

"**Legal Final Maturity**" means the Interest Payment Date falling in October, 2013.

"**Liabilities**" means, in the context of an Appraisal Reduction Amount, all sums, liabilities and obligations (whether actual, contingent, present and/or future) due or owing by the Borrowers relating to the Whole Loans and/or the hedging arrangements (other than any Supplemental Hedging Arrangements) relating or attributable to the Whole Loans including any accrued and unpaid interest, charges, fees and other expenses due to the Lenders pursuant to the Financing Documents.

"**Liquidation Fee**" means a liquidation fee payable to the Special Servicer in respect to a Specially Serviced Loan in accordance with the terms and conditions of the Servicing Agreement.

"**Loan**" means a loan purchased by the Issuer from the Originator pursuant to the Loan Sale Agreement as more particularly identified in Schedule 3 Part A of the Loan Sale Agreement.

"**Loan Documentation**" means the documents listed in Schedule 3 Part A and B of the Loan Sale Agreement.

"**Loan Security**" means the Mortgages, Debentures, Subordination Agreements, share charges, charges over cash deposits (in each case, if any) and/or any other security granted by any person in respect of a Borrower's liabilities under or in respect of a Loan, the beneficial interest in the Security Trust created over which is to be acquired by the Issuer pursuant to the Loan Sale Agreement.

"**Loan Security Trustee**" means the trustee holding the Loan Security provided by a Mortgagor in respect of a Whole Loan on trust for the secured creditors.

"**Loan Swap Counterparty**" means Société Générale, acting through its principal office at 41 Tower Hill, London EC3N 4SG, contracted in relation to the Whole Loan identified in the Loan Sale Agreement as being the Prime Locations Loan and Barclays Bank PLC, acting through its office at 1 Churchill Place, London E14 5HP, contracted in relation to the Whole Loans identified in the Loan Sale Agreement as being the Victoria Embankment Loan and the Millennium Bridge Loan.

"**Loan Swap Counterparty Agreement**" means an interest rate swap agreement entered into between a Borrower and a Loan Swap Counterparty in relation to a Whole Loan.

"**Loan Swap Advance**" means an advance made under the Liquidity Facility Agreement for an amount due to a Borrower from a Loan Swap Counterparty under a Loan Swap Agreement on any Loan Interest Payment Date.

"**Minimum Denomination**" means, in respect of the Notes, a minimum notional amount of £50,000.

"**Mortgage**" means a first-ranking charge by way of legal mortgage granted by a Mortgagor in respect of one or more Properties and identified in Schedule 3 Part B of the Loan Sale Agreement.

"**Mortgage Deeds**" means:

(a) all deeds and documents of title to a Property and associated papers received from a solicitor including the results of any searches and enquiries and any consents to the relevant Loan or its Loan Security;

(b) the Mortgage and any Loan Security for any Loan; and

(c) where relevant, any deed of postponement, ranking agreement, form of consent or deed of variation.

"**Mortgagor**" means each person providing security of any form in connection with the obligations and liabilities of a Borrower under any Loan.

"**Most Junior Class of Notes**" means:

(a) whilst any Class D Notes are outstanding, the Class D Notes;

(b) if no Class D Notes are outstanding, the Class C Notes;

(c) if no Class C Notes are outstanding, the Class B Notes; or

(d) if no Class B Notes are outstanding, the Class A Notes.

"**Most Senior Class of Notes**" means:

(a) while any Class A Notes are outstanding, the Class A Notes;

(b) if no Class A Notes are outstanding, the Class B Notes;

(c) if no Class A Notes or Class B Notes are outstanding, the Class C Notes; and

(d) if no Class A Notes, Class B Notes or Class C Notes are outstanding, the Class D Notes.

"**Note Enforcement Notice**" has the meaning given to such term in Condition 10.

"**Note Principal Payment**" means the principal amount (if any) to be redeemed in respect of each Note.

"**Noteholders**" means holders of the Notes.

"**Operating Bank**" means ABN AMRO Bank N.V. (London Branch).

"**PECO**" means White Tower Property Estate Capital Options Limited.

"**Post-Enforcement Call Option**" means the option granted to PECO pursuant to a post-enforcement call option agreement to acquire all the Notes of the Issuer then outstanding, which will be exercisable only after certain conditions in Condition 6 have been met.

"**Prepayment Interest Arrears**" means any amount of interest in respect of a Class of Notes which is due but not paid on any Interest Payment Date and the Servicer determines that such non-payment is attributable to prepayment of one or more of the Loans by the relevant Borrower or Borrowers, including any interest accruing on such amounts from time to time.

"**Principal Amount Outstanding**" means, on any day;

(i) in relation to a Note, the original principal amount of that Note upon issue less the aggregate amount of any principal payments in respect of that Note which have become due and payable (and been paid) on or prior to that day; and

(ii) in relation to a class, the aggregate of the amount in (i) in respect of the Notes outstanding in such class; and

(iii) in relation to the Notes outstanding at any time, the aggregate of the amount in (i) in respect of all Notes outstanding, regardless of class.

"**Principal Deficiency Ledger**" means the principal deficiency ledger maintained by the Cash Manager comprising five sub-ledgers, known as "**A Note Principal Deficiency Ledger**", the "**B Note Principal Deficiency Ledger**", the "**C Note Principal Deficiency Ledger**" and the "**D Note Principal Deficiency Ledger**" for each class of Notes to which amounts are applied which equal the principal amount still outstanding in respect of a defaulting loan.

"**Priority Amounts**" means any sums due to third parties (other than the Servicer, the Liquidity Facility Provider (in respect of any Senior Expenses Drawing), the Originator (other than as specified below), the Special Servicer, the Corporate Services Provider, the Trustee, the Paying Agents, the Agent Bank, the Cash Manager or the Operating Bank), including the Liquidity Facility Provider (in respect of any Loan Swap Advances), the Borrowers and the Issuer's liability, if any, to corporation tax and/or value added tax, on a date other than an Interest Payment Date under obligations incurred in the course of the Issuer's business, and any amounts payable to the Originator pursuant to the Loan Sale Agreement (other than amounts forming a part of Deferred Consideration).

"**Property**" means a property identified in Schedule 4 of the Loan Sale Agreement.

"**Rate of Interest**" means the annual rate of interest at which each class of Notes will bear interest on their Principal Amount Outstanding.

"**Rating Agencies**" means each of Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Moody's Investors Service Limited ("**Moody's**" and, together with S&P and Moody's, the "**Rating Agencies**", which reference in these Conditions shall include any additional or replacement rating agency appointed by the Issuer, with the prior written approval of the Trustee, to provide a credit rating in respect of the Notes or any class of the Notes).

"**Reference Banks**" means Barclays Bank PLC, Lloyds TSB Bank plc, HSBC Bank plc and The Royal Bank of Scotland plc or any substitute reference bank(s) as may be nominated by the Issuer and approved by the Trustee.

"**Release Amount**" means in the event that a Borrower prepays a Whole Loan early, a release amount equalling 113 per cent. of the principal amount originally advanced of the Whole Loan.

"**Relevant Date**" has the meaning given to such term in Condition 9.

"**Relevant Margin**" means:

(A) in respect of the Class A Notes, 0.18 per cent. per annum;

(B) in respect of the Class B Notes, 0.35 per cent. per annum;

(C) in respect of the Class C Notes, 0.56 per cent. per annum; and

(D) in respect of the Class D Notes, 0.85 per cent. per annum.

"**Security Documents**" means the debentures, the charge over shares, the Subordination Agreements and any other guarantee or document creating, evidencing or acknowledging security in respect of any of the obligations and liabilities of each Borrower in connection with the financing arrangements for each of the Loans.

"**Secured Parties**" means each of the Noteholders, the Trustee, any Receiver the Corporate Services Provider, the Servicer, the Special Servicer, the Liquidity Facility Provider, the Paying Agents, the Agent Bank, the Cash Manager and the Operating Bank.

"**Security Trusts**" means the trusts pursuant to which the Loan Security is held on trust for the Issuer by the Loan Security Trustee.

"**Senior Expenses Drawing**" means a drawing under the Liquidity Facility Agreement in order to pay any amounts detailed in items (i) through (vii) of Clause 6.2.2 of the Deed of Charge and Assignment.

"**Specially Serviced Loan**" means a Loan which has become a specially serviced loan under the terms and conditions of the Servicing Agreement.

"**Stand-by Account**" means the account in the name of the Issuer, with account number 40215490 (account ref: 700341.2) at the Operating Bank with sort code 40-50-30 and entitled "White Tower 2006-1 No. 1 plc Stand-by Account" or such other account of the Issuer as the Trustee may approve with the Operating Bank in accordance with the provisions of the Cash Management Agreement.

"**Subordination Agreement**" means a subordination agreement and/or priority agreement under which any other debt of the relevant Borrower is expressed to be subordinated to the Senior or Junior Lender.

"**Supplemental Hedging Arrangements**" means each arrangement entered into by Prime Locations and Loan Swap Counterparty A for the purposes of hedging Prime Location's interest obligations in relation to all or part of the Prime Locations Loan (but relating to a period after 26 January, 2012) designated as such by Prime Locations and the Loan Swap Counterparty and the Agents, which will be excluded for the purposes of determining the Liabilities in the context of an Appraisal Reduction Amount.

"**Tranching Account**" means the account in the name of the Operating Bank, with Account Number 40215490 (account ref: 700339.1) at the Operating Bank with sort code 40-50-30 and entitled "White Tower 2006-1 No.1 plc Tranching Account" or such other account that the Loan Security Trustee as the Trustee may approve with the Operating Bank in accordance with the provisions of the Cash Management Agreement.

"**Tranching Account Declaration of Trust**" means the declaration of trust entered into by the Operating Bank for the benefit of *inter alios*, the Borrowers, the Loan Swap Counterparty and the Issuer in relation to the Tranching Account.

"**Transaction Documents**" means:

(a) the Agency Agreement;

(b) the Cash Management Agreement;

(c) the Corporate Services Agreement;

(d) the Deed of Charge and Assignment;

(e) the Intercreditor Agreement;

(f) the Liquidity Facility Agreement;

(g) the Loan Sale Agreement;

(h) the Master Definitions Agreement;

(i) the Post-Enforcement Call Option Agreement;

(j) the Servicing Agreement;

(k) the Subscription Agreement; and

(l) the Tranching Account Declaration of Trust;

(m) the Trust Deed,

including any supplements to any of the agreements listed above, and all other agreements and documents comprised in the security for the Notes pursuant to the Deed of Charge and Assignment.

"**Valuation**" means, in relation to any Property, an open market valuation of that Property addressed to the Lenders, the Loan Swap Counterparties, the Agent and the Loan Security Trustee prepared in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors (in association with others).

"**VAT**" means value added tax provided for in the Value Added Tax Act 1994 and any other tax of a similar fiscal nature whether imposed in the United Kingdom (instead of or in addition to value added tax) or elsewhere.

"**Whole Loan**" means both the Senior Loan part and Junior Loan part of an entire loan as more particularly identified in Schedule 3 Part A of the Loan Sale Agreement.

"**Workout Fee**" means a workout fee payable to the Special Servicer in respect of a Corrected Loan in accordance with the terms and conditions of the Servicing Agreement.

2. Form, Status, Security and Priority

(A) Form and Denomination, Title and Transfer

(a) The Notes will be serially numbered and in bearer form in the denomination of £50,000, each with Coupons (and, where appropriate, a Talon) attached on issue. Title to each of the Notes, Coupons and Talons will pass by delivery.

(b) The holder of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft, destruction or loss) and no person will be liable for so treating the holder.

(c) For so long as the Notes of any class are represented by a Global Note, and the rules of Euroclear and Clearstream, Luxembourg so permit, the Notes of that class will be tradeable in minimum nominal amounts of £50,000, being the Minimum Denomination.

(d) If Definitive Notes for that class of Notes are required to be issued and printed, such Notes will be in the denomination of £50,000.

(B) Status and relationship between the Notes

(a) The Notes constitute direct, secured and unconditional obligations of the Issuer. The Notes of each class rank pari passu without preference or priority among themselves.

(b) As between the classes of the Notes, in the event of the Issuer Security being enforced, the Class A Notes will rank higher in priority to the Class B Notes, the Class C Notes and the Class D Notes; the Class B Notes will rank higher in priority to the Class C Notes and the Class D Notes; and the Class C Notes will rank higher in priority to the Class D Notes. Prior to enforcement of the Issuer Security, payments of principal of and interest on the Class D Notes will be subordinated to payments of principal of and interest on the Class A Notes, the Class B Notes and the Class C Notes; payments of principal of and interest on the Class C Notes will be subordinated to payments of principal of and interest on the Class A Notes and the Class B Notes; and payments of principal of and interest on the Class B Notes will be subordinated to payments of principal of and interest on the Class A Notes.

(c) The Trust Deed and the Deed of Charge and Assignment each contain provisions requiring the Trustee to have regard to the interests of the holders of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes equally as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), provided that:

(i) if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class A Noteholders (for so long as the Class A Notes are outstanding (as defined in the Trust Deed)); and

(B) the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders,

then the Trustee shall have regard only to the interests of the Class A Noteholders;

(ii) if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class B Noteholders (for so long as the Class B Notes are outstanding); and

(B) the Class C Noteholders and/or the Class D Noteholders,

then the Trustee shall, subject to (i) above, have regard only to the interests of the Class B Noteholders; and

(iii) if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class C Noteholders (for so long as the Class C Notes are outstanding); and

(B) the Class D Noteholders,

then the Trustee shall, subject to (i) and (ii) above, have regard only to the interests of the Class C Noteholders.

Except where expressly provided otherwise, so long as any of the Notes remains outstanding, the Trustee is not required to have regard to the interests of any other persons entitled to the benefit of the Issuer Security.

(d) The Trust Deed contains provisions limiting the powers of (i) the Class B Noteholders, amongst other things, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect such may have on the interests of the Class A Noteholders, (ii) the Class C Noteholders, amongst other things, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect such may have on the interests of the Class A Noteholders or the Class B Noteholders and (iii) the Class D Noteholders, amongst other things, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect such may have on the interests of the Class A Noteholders, the Class B Noteholders or the Class C Noteholders. Except in certain circumstances, the Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which powers will be binding on the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders irrespective of the effect on their interests. Except in certain circumstances, the exercise of their powers by (i) the Class B Noteholders will be binding on the Class C Noteholders, the Class D Noteholders, irrespective of the effect on their interests and (ii) the Class C Noteholders will be binding on the Class D Noteholders, irrespective of the effect on their interests.

(C) Security and Priority of Payments

The security in respect of the Notes is set out in the Deed of Charge and Assignment. The Deed of Charge and Assignment contains provisions regulating the priority of application of the Available Principal and Available Interest Receipts among the persons entitled to the same prior to the service of a Note Enforcement Notice, and of the Available Principal and the Available Interest Receipts and the proceeds of enforcement or realisation of the Issuer Security by the Trustee after the service of a Note Enforcement Notice.

3. Covenants

(A) Restrictions

Save with the prior written consent of the Trustee or unless otherwise provided in or envisaged by these Conditions or the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

(a) Negative Pledge

create or permit to subsist any mortgage, standard security, sub-mortgage, sub-standard security, assignment, assignation, charge, sub-charge, pledge, lien (unless arising by operation of law), hypothecation, assignation or other security interest whatsoever over any of its assets, present or future (including any uncalled capital);

(b) Restrictions on Activities

(i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;

(ii) have any subsidiaries or any employees or own, rent, lease or be in possession of any buildings or equipment; or

(iii) amend, supplement or otherwise modify its memorandum or articles of association or other constitutive documents;

(c) *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 (including for these purposes the Charged Property) or any interest, estate, right, title or benefit in its assets or undertaking;

(d) *Dividends on Distributions*

pay any dividend or make any other distribution to its shareholders or issue any further shares, other than in accordance with the Deed of Charge and Assignment;

(e) *Borrowings*

incur or permit to subsist any indebtedness in respect of borrowed money whatsoever, except in respect of the Notes, the Swap Transactions or the Liquidity Facility Agreement or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;

(f) *Merger*

consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;

(g) *Variation*

permit the validity or effectiveness of any of the Transaction Documents, or the priority of the security interests created by any of the Transaction Documents, to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of, the Trust Deed, the Deed of Charge and Assignment or any of the other Transaction Documents, or permit any party to any of the Transaction Documents or the Issuer Security or any other person whose obligations form part of the Issuer Security to be released from such obligations;

(h) *Bank Accounts*

have an interest in any bank account other than the Issuer's Accounts and the Issuer's beneficial interest in the Tranching Account unless such account or interest in such account is charged to the Trustee on terms acceptable to it;

(i) *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 to the Issuer Security, the benefit of the Transaction Documents and any investments and other rights or interests created or acquired under the Transaction Documents, as all of the same may vary from time to time; and

(j) *VAT*

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 any such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal the Value Added Tax Act 1994.

In giving any consent to the foregoing, the Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents or may impose such other conditions or requirements as the Trustee may deem expedient (in its absolute discretion) in the interests of the Noteholders, provided that each of the Rating Agencies has provided written confirmation to the Trustee that the then applicable ratings of each class of Notes then rated by them under any of the Transaction Documents will not be qualified, downgraded or withdrawn as a result of such modifications or additions.

(B) Servicer and Special Servicer

So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a Servicer. In certain circumstances a Special Servicer will also be appointed in respect of a Whole Loan or Whole Loans. Neither the Servicer nor the Special Servicer will be permitted to terminate its appointment unless a replacement Servicer or Special Servicer acceptable to the Issuer and the Trustee has been appointed. The appointment of the Servicer and the Special Servicer (in respect of a Specially Serviced Loan) may be terminated by the Issuer and/or Trustee if, amongst other things, the Servicer or the Special Servicer fails to comply with any of its obligations under the Servicing Agreement which in the opinion of the Trustee is materially prejudicial to the interests of the Noteholders and such failure is not remedied within 30 days after written notice has been served on the Servicer or Special Servicer (as applicable) by the Issuer and/or by the Trustee.

(C) Controlling Class Representative

The Controlling Class Representative will be appointed (or replaced) by Noteholders representing a majority of the Controlling Class upon delivery of a written instrument by such majority to the Trustee. No Extraordinary Resolution is required in connection with the appointment (or replacement) of the Controlling Class Representative. Upon receipt of such written appointment (or replacement), the Trustee shall forward a copy of such written instrument to the Special Servicer.

(D) *Controlling Party*

The Servicer or Special Servicer will be required to consult with the Controlling Party (or the Operating Adviser if an Operating Adviser has been appointed by the Controlling Party to represent it) with respect to proposals for it to take any significant action with respect to any Whole Loan or its related Mortgage or Loan Security and to consider alternative actions recommended by the Controlling Party. The Servicer or Special Servicer will also be required to inform the Trustee of the result of any consultation with the Controlling Party where the Controlling Party is the Controlling Party Representative.

In addition, the Special Servicer, prior to taking or consenting to any of the following actions with respect to a Whole Loan will obtain the written approval of the Controlling Party (a copy of which approval the Servicer shall promptly forward to the Loan Security Trustee and Trustee) if:

(a) a material increase in the amount of the Liabilities or the overall obligations of any Borrower (or any other party to the Loan Security) under the Loan Documentation and the Loan Swap Counterparty Agreements (save in respect of any further monies advanced or costs incurred in connection with the protection and/or enforcement of the Loan Security);

(b) any change to the date of payment of any amount to a party under the Loan Documentation and the Loan Swap Counterparty Agreements;

(c) a reduction in the interest rate or a reduction in the amount of any payment of principal, interest, fee or other amount payable under the Loan Documentation and the Loan Swap Counterparty Agreements;

(d) an increase in, or an extension of, a commitment or total commitments under the Loan Documentation and the Loan Swap Counterparty Agreements;

(e) any change to the basis upon which a payment is calculated in accordance with the original provisions of that Loan Documentation and the Loan Swap Counterparty Agreements;

(f) a release of any Security or Security provider;

(g) any change to the right of a party to assign or transfer its rights or obligations under the Loan Documentation and the Loan Swap Counterparty Agreements;

(h) any change to the rights of a party against another party or the priority or subordination intended to be achieved by the Intercreditor Agreement (save for (i) any changes agreed with the Issuer in respect of its Liabilities where such change does not affect the amount of its Liabilities as a whole or otherwise adversely affect the position of the Junior Lender and/or (ii) any changes agreed with the Junior Lender in respect of its Liabilities where such change does not adversely affect the position of the Issuer);

(i) any change to the insurance requirements set out in the Credit Agreement or to any insurance policy effected in accordance therewith; or

(j) any material changes to the Credit Agreement which may adversely affect directly or indirectly the value of a Property or the enforceability of the Loan Documentation and the Loan Swap Counterparty Agreements

unless the amendment, waiver or consent:

(i) is contemplated in or permitted by the Loan Documentation and the Loan Swap Counterparty Agreements;

(ii) is agreed to by all the parties to the Loan Documentation and the Loan Swap Counterparty Agreements; or

(iii) constitutes a procedural or administrative change arising in the ordinary course of administration of the relevant facility and is not material;

provided that (if and for so long as any of the Junior Loans are outstanding) in the case of the matters specified in such paragraphs (a), (c), (d) and (e) above, the Controlling Party shall at all times be the Junior Lender.

The Servicer will not be able to take any of the actions described above in respect of a Whole Loan after it has become a Specially Serviced Loan without first obtaining the consent of and direction from the Special Servicer.

The Special Servicer must notify the Controlling Party in advance of any action it intends to take with regard to the matters set out above and must take due account of the advice and representations of the Controlling Party, although if the Special Servicer determines in accordance with the Servicing Standard that immediate action is necessary to protect the interests of the Noteholders, and, if applicable, the Junior Lender, the Special Servicer may take whatever action it reasonably considers necessary, without waiting for the Controlling Party's response. If the Special Servicer does take such action and the Controlling Party objects in writing to the actions taken within 10 Business Days after being notified of the action and being provided with all reasonably requested information, the Special Servicer must take due account of the advice and representations made by the Controlling Party regarding any further steps that it considers should be taken.

The Controlling Party will be considered to have approved any action taken by the Special Servicer without the prior approval of the Controlling Party if it does not object within 10 Business Days. Furthermore, the Special Servicer will not be obliged to obtain the approval of the Controlling Party for any actions to be taken with respect to a Loan if the Special Servicer has notified the Controlling Party in writing of the actions that the Special Servicer proposes to take with respect to such Whole Loan and, for 30 days following the first such notice, the Controlling Party has objected to all of those proposed actions and has failed to suggest any alternative actions that the Special Servicer considers to be consistent with the standards required to be implemented by the Special Servicer under the Servicing Agreement. In any event, if the Special Servicer determines in accordance with the Servicing Standard that immediate action is necessary to protect the interests of the Noteholders, and, if applicable, the Junior Lender, the Special Servicer may take whatever action it reasonably considers necessary, without waiting for the Controlling Party's response, subject to the provisions of the prior paragraph concerning the need of the Special Servicer to take due account of the advice and representations of the Controlling Party if the Controlling Party has objected to actions taken by the Special Servicer.

Notwithstanding the foregoing, no advice, direction, representation or objection given or made by the Controlling Party may require or cause the Special Servicer to violate any law of any applicable jurisdiction, be inconsistent with the Servicing Standard or violate any provisions of the Servicing Agreement.

Where the Controlling Party in respect of a Whole Loan would be a Controlling Class Representative, but the Controlling Class has not appointed such a representative, the Servicer or Special Servicer shall, if it is required to consult with or obtain the consent of the Controlling Party in respect of any matter, give notice to the relevant Noteholders, in accordance with the Condition 15 (as amended by the terms of the Global Notes), of their ability to appoint a Controlling Class Representative and details of the relevant matter, but if the Noteholders have not responded to such notice within 10 Business Days they shall be considered to have consented to any such proposed action or conduct of the Servicer or Special Servicer.

The Controlling Party will have no ability to take direct action in respect of the exercise of rights with respect to any Whole Loan.

Neither the Controlling Class Representative, the Junior Lender nor the Controlling Party will have any liability to the Issuer, any Noteholder, the Junior Lender, any Loan Security Trustee or the Trustee for any action taken, or for refraining from the taking of any action, in good faith pursuant to the Servicing Agreement, or for any errors in judgement.

Each Noteholder acknowledges and agrees, by its purchase of the Notes, that:

(a) the Controlling Party may have special relationships and interests that conflict with those of the holders of one or more classes of the Notes;

(b) the Controlling Party may act solely in the interests of the Controlling Class or Junior Lender, as applicable;

(c) the Controlling Party does not have any duties to any Noteholders (other than, if applicable, the Controlling Class);

(d) the Controlling Party may take actions that favour the interests of the Controlling Class or Junior Lender, as applicable, over the interests of the other Noteholders;

(e) the Controlling Party will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of its having acted solely in the interests of the Controlling Class or Junior Lender, as applicable; and

(f) the Controlling Party will have no liability whatsoever for having acted solely in the interests of the Controlling Class or Junior Lender, as applicable, and no holder of any other class of Notes may take any action whatsoever against the Controlling Party for having so acted.

(E) Appointment of Special Servicer

In certain circumstances set out in the Servicing Agreement, the Controlling Party may, by an Extraordinary Resolution appoint an Operating Adviser who shall be entitled, amongst other things, to appoint a Special Servicer in respect of a Whole Loan.

4. Interest

(a) Period of Accrual

Each Note will bear interest on its Principal Amount Outstanding from (and including) the Closing Date.

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part of such principal is improperly withheld or refused. In such event, interest will continue to accrue on the Note (before as well as after any judgement) at the rate applicable to such Note up to (but excluding) the date on which, on presentation of such Note, payment in full of the relevant amount of principal, together with the interest accrued on it, is made or (if earlier) the seventh day after notice is duly given to the holder of the Note (either in accordance with Condition 15 or individually) that, upon presentation of the Note being duly made, such payment will be made, provided that upon presentation of the Note being duly made, payment is in fact made.

(b) Interest Payment Dates, Interest Periods and Deferral of Interest

Subject to the terms of this Condition 4(b), interest on the Notes will be paid quarterly in arrear on each Interest Payment Date in respect of the Interest Period ending immediately prior thereto. The first Interest Payment Date in respect of each class of Notes will be the Interest Payment Date falling on 23 April, 2006. Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 365 (or, in the case of an Interest Period or other period ending in a leap year, 366) day year.

Subject to Condition 11 and for so long as any Class A Note is outstanding, in the event that on any Interest Payment Date there are insufficient Available Interest Receipts, after deducting the amounts ranking in priority to a particular class of Notes in accordance with Clause 6.2.2 of the Deed of Charge and Assignment (each such available amount with respect to the relevant class of Notes, an "**Interest Residual Amount**"), to satisfy in full the Interest Amount due and, subject to this Condition, payable on the Class B Notes, the Class C Notes or the Class D Notes, respectively, on such Interest Payment Date, there shall instead be payable on such Interest Payment Date, by way of interest on each Class B Note and/or Class C Note and/or Class D Note, as the case may be, only a *pro rata* share of the amount available to be applied in payment of amounts due on that particular class of Notes on such Interest Payment Date. The amount payable shall be calculated by dividing the original principal amount of each such Class B Note, Class C Note or Class D Note, as the case may be, by the aggregate principal amount of the Class B Notes, Class C Notes or Class D Notes, as at the Closing Date, as the case may be, and multiplying the result by the relevant Interest Residual Amount, and then rounding down to the nearest penny.

In any such event the Issuer shall in respect of the Class B Notes, Class C Notes and Class D Notes, create a provision in its accounts for the shortfall equal to the amount by which the aggregate amount of interest paid on the Class B Notes, the Class C Notes or the Class D Notes, as the case may be, on any Interest Payment Date in accordance with this Condition falls short of the Interest Amount due on the Class B Notes, the Class C Notes or the Class D Notes, as the case may be, on that date pursuant to this Condition. Such shortfall shall itself accrue interest at the same rate as that payable in respect of the Class B Notes, the Class C Notes or the Class D Notes, as applicable, and shall be payable together with such accrued interest on the earlier of (a) any succeeding Interest Payment Date when any such unpaid interest and accrued interest thereon shall be paid, but only if and to the extent that, on such Interest Payment Date, there are sufficient Available Interest Receipts, after deducting amounts ranking in priority to the relevant class of Notes in accordance with Clause 6.2.2 of the Deed of Charge and Assignment and (b) the date on which the relevant Notes are due to be redeemed in full.

In the event that no Class A Note is outstanding, the provisions in this Condition shall apply, *mutatis mutandis*, save that reference to the Most Senior Class of Notes outstanding at that time and all classes of Notes that were, prior to their redemption, senior to that class of Notes shall be deleted.

(c) *Rate of Interest*

Each Rate of Interest will be determined by the Agent Bank on the Interest Determination Date.

Each Rate of Interest for the Interest Period commencing on the relevant Interest Determination Date shall be the aggregate of:

(i) the Relevant Margin; and

(ii) (1) the arithmetic mean of the offered quotations to leading banks (rounded to five decimal places of a percentage point with the mid-point rounded up) for three month sterling deposits (or, in the case of the first Interest Determination Date, the linear interpolation of 2 and 3 month sterling deposits), in the London inter-bank market which appear on Telerate Screen Page No. 3750 (the "**Screen Rate**") (rounded to five decimal places of a percentage point with the mid-point rounded up) (or (i) such other page as may replace Telerate Screen Page No. 3750 on that service for the purpose of displaying such information or (ii) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Trustee) as may replace the Telerate Monitor) at or about 11.00 a.m. (London time) on the relevant Interest Determination Date; or

(2) if the Screen Rate is not then available, the arithmetic mean (rounded to five decimal places of a percentage point with the mid-point rounded up) of the rates notified to the Agent Bank at its request by each of the Reference Banks as the rate at which three month sterling deposits in an amount of £10,000,000 (save, in the case of the first Interest Determination Date, the linear interpolation of 2 and 3 month sterling deposits) are offered for the same period as that Interest Period by that Reference Bank to leading banks in the London inter-bank market at or about 11.00 a.m. (London time) on the relevant Interest Determination Date. If on any such Interest Determination Date, two or three only of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate will be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Determination Date, only one or none of the Reference Banks provide the Agent Bank with such an offered quotation, the Agent Bank will forthwith consult with the Trustee and the Issuer for the purposes of agreeing two banks (or, where one only of the Reference Banks provided such a quotation, one additional bank) to provide such a quotation or quotations to the Agent Bank (which bank or banks are in the opinion of the Trustee suitable for such purpose) and the rate for the Interest Period in question will be determined, as aforesaid, on the basis of the offered quotations of such banks as so agreed (or, as the case may be, the offered quotations of such bank as so agreed and the relevant Reference Bank). If no such bank or banks is or are so agreed or such bank or banks as so agreed does or do not provide such a quotation or quotations, then the rate for the relevant Interest Period will be the Screen Rate in effect for the last preceding Interest Period to which sub-paragraph (1) of the foregoing provisions of this sub-paragraph (ii) shall have applied.

(d) *Determination of Rates of Interest and Calculation of Interest Amounts for Notes*

The Agent Bank shall, on or as soon as practicable after each Interest Determination Date, determine and notify the Issuer, the Trustee, the Servicer and the Paying Agents in writing of (i) the Rate of Interest applicable to the Interest Period beginning on and including the immediately succeeding Interest Payment Date (or, in respect of the first Interest Amount, the Closing Date) in respect of the Notes of each class, and (ii) the sterling amount (the "**Interest Amount**") payable, subject to Condition 4(b), in respect of such Interest Period in respect of the Notes of each class.

(e) Publication of Rates of Interest for the Notes, Interest Amounts and other Notices

As soon as practicable after receiving notification thereof, the Issuer shall cause the Rate of Interest and Interest Amount applicable to the Notes of each class for each Interest Period and the Interest Payment Date in respect thereof to be notified in writing to the Irish Stock Exchange (for so long as the Notes are listed on the Irish Stock Exchange) and shall cause notice thereof to be given to the Noteholders in accordance with Condition 15. The Interest Amounts and any Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period for the Notes.

(f) *Determination or Calculation by the Trustee*

If the Agent Bank does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Amount for each class of the Notes in accordance with the foregoing Conditions, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.

(g) Notifications to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition, whether by the Reference Banks (or any of them) or the Agent Bank or the 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 Trustee, the Servicer, the Special Servicer, the Paying Agents and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Issuer, the Reference Banks, the Agent Bank or the Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

(h) Reference Banks and Agent Bank

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there are, at all times, four Reference Banks and an Agent Bank. If the principal London office of any such Reference Bank or Agent Bank is unable or unwilling to continue to act as a Reference Bank or Agent Bank, as the case may be, the Issuer shall nominate such other bank as may have been previously approved in writing by the Trustee to act as such in its place. Any purported resignation by the Agent Bank shall not take effect until a successor so approved by the Trustee has been appointed.

5. Redemption and Cancellation

(a) Final Redemption

Unless previously redeemed in full and cancelled as provided in this Condition 5, the Issuer shall redeem the Notes at their Principal Amount Outstanding together with accrued interest on the Final Interest Payment Date.

The Issuer may not redeem Notes in whole or in part prior to that date except as provided in this Condition but without prejudice to Condition 11.

(b) *Mandatory Redemption in Part*

Subject as provided in Condition 5(c), (d) or (e) below, the Issuer shall, prior to the service of a Note Enforcement Notice by the Trustee and subject as provided below, redeem some or all of the Notes then outstanding in part on each Interest Payment Date if on the Calculation Date relating thereto there are any Available Amortisation Funds, Available Prepayment Funds, Available Redemption Funds or Available Principal Recovery Funds (each as defined below), after paying in accordance with the Deed of Charge and Assignment any and all amounts payable out of such funds in priority to payments on the relevant class of Notes, and if the amount of such funds after paying any and all amounts payable in priority to payments on the relevant class of Notes, is not less than £1.

For the purposes of these Conditions:

(A) "**Amortisation Funds**" means (i) the aggregate amount of principal received by or on behalf of the Issuer (including any cash sweeps collected) in respect of the Loans on a scheduled payment date and in accordance with the terms of the Credit Agreement and (ii) on the Interest Payment Date falling on 23 April, 2006 only, an amount equal to the Principal Amount Outstanding of the Notes on the Closing Date less the aggregate outstanding principal balance of the Loans as at the Closing Date 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 (and including) the Closing Date to (but excluding) such first Calculation Date) (each a "**Collection Period**"), less (iii) the aggregate amount of Amortisation Funds applied by the Issuer in respect of any Priority Amounts during that Collection Period in accordance with the Deed of Charge and Assignment;

(B) "**Prepayment Redemption Funds**" means (i) the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Loans as a result of any prepayment in part or in full made by the Borrowers (including any Release Amount) pursuant to the terms of the Credit Agreement (including upon the receipt of insurance proceeds not applied prior to the final maturity of the relevant Loan, but not, for the avoidance of doubt, including any legal repayment of the Loan that is intended to be novated following the Closing Date to a new Borrower unless the Issuer receives funds on or as a result of such novation), (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 Loan by the Originator pursuant to the Loan Sale Agreement and (iii) the aggregate amount of Available Interest Receipts payable pursuant to item (x) of Clause 6.2.2 of the Deed of Charge and Assignment, and "**Available Prepayment Funds**" means, in respect of any Calculation Date, the Prepayment Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended less the aggregate amount of Prepayment Redemption Funds applied by the Issuer in respect of any Priority Amounts during that Collection Period in accordance with the Deed of Charge and Assignment;

(C) "**Final Redemption Funds**" means the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Loans as a result of the repayment of the relevant Loan upon its scheduled final maturity date, and "**Available Redemption Funds**" means, in respect of any Calculation Date, the Final Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended less the aggregate amount of Final Redemption Funds applied by the Issuer in respect of Priority Amounts during that Collection Period in accordance with the Deed of Charge and Assignment;

(D) "**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 Loan and/or the Loan Security and "**Available Principal Recovery Funds**" means, in respect of any Calculation Date, the Principal Recovery Funds received or recovered by or on behalf of the Issuer during the Collection Period then ended less (i) the aggregate amount of Principal Recovery Funds applied by the Issuer in respect of any Priority Amounts during that Collection Period in accordance with the Deed of Charge and Assignment, and (ii) any amount to be transferred to Available Interest

Receipts 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;

but in each case, only to the extent that such moneys have not been taken into account in the calculation of Available Amortisation Funds, Available Prepayment Funds, Available Redemption Funds and Available Principal Recovery Funds, as applicable, on any preceding Calculation Date. Available Amortisation Funds, Available Prepayment Funds, Available Redemption Funds and Available Principal Recovery Funds determined on each Calculation Date shall be applied, on the immediately following Interest Payment Date, in order to redeem Notes in accordance with and in the order of priority set out in Clauses 6.2 and 6.3 of the Deed of Charge and Assignment.

However, if on any Calculation Date the Trustee receives written confirmation from the Rating Agencies that the then applicable ratings of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will not be downgraded, withdrawn or qualified by them, the Available Amortisation Funds, Available Prepayment Funds, Available Redemption Funds and Available Principal Recovery Funds may, at the option of the Issuer, be applied on any Interest Payment Date to redeem in whole or in part the Principal Amount Outstanding of any other class or classes of Notes that would not otherwise be entitled to redemption on such Interest Payment Date.

(c) Optional Redemption for Tax or Other Reasons

If the Issuer at any time satisfies the Trustee immediately prior to giving the notice referred to below that either (i) by virtue of a change in the tax law of the United Kingdom or any other jurisdiction (or the application or official interpretation of such law) from that in effect on the Closing Date, on the next Interest Payment Date the Issuer or any Paying Agent on its behalf would be required to deduct or withhold from any payment of principal or interest in respect of any Note (other than where the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of Notes) (other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the relevant jurisdiction (or any political sub-division or authority of that relevant jurisdiction having power to tax) and such requirement cannot be avoided by the Issuer taking reasonable measures available to it, or (ii) by virtue of a change in law from that in effect on the Closing Date, any amount payable by the Borrowers in relation to the Loans is reduced or ceases to be receivable (whether or not actually received) by the Issuer during the Interest Period preceding the next Interest Payment Date and, in either case, the Issuer has, prior to giving the notice referred to below, certified to the Trustee that it will have the necessary funds on such Interest Payment Date to discharge all of its liabilities in respect of the Notes to be redeemed under this Condition 5(c) and any amounts required under the Deed of Charge and Assignment to be paid in priority to, or pari passu with, the Notes to be so redeemed, which certificate shall be conclusive and binding, and provided that, on the Interest Payment Date on which such notice expires, no Note Enforcement Notice has been served, then the Issuer may, but shall not be obliged to, on any Interest Payment Date on which the relevant event described above is continuing, having given not more than 60 nor less than 30 days' written notice ending on such Interest Payment Date to the Trustee, the Paying Agents and to the Noteholders in accordance with Condition 15, redeem in the following order:

(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.

After giving notice of redemption pursuant to this sub-paragraph, the Issuer shall not make any further payment of principal on the Notes and no further reduction shall be made to the Principal Amount Outstanding of any Note other than by way of redemption pursuant to this Condition 5(c).

(d) Optional redemption in full

On giving not more than 60 nor less than 30 days' written notice to the Trustee and the Paying Agents and to the Noteholders in accordance with Condition 15 and provided that, on the Interest Payment Date on which such notice expires, no Note Enforcement Notice in relation to the Notes has been served, and further provided that the Issuer 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 its liabilities in respect of the Notes to be redeemed under this Condition 5(d) and any amounts required under the Deed of Charge and Assignment to be paid on such Interest Payment Date which rank higher in priority to, or pari passu with, the Notes, which certificate will be conclusive and binding, and further provided that on the relevant Interest Payment Date the aggregate principal outstanding balance of all the Loans would be less than 10 per cent. of the aggregate principal outstanding balance of all the Loans as at the Closing Date, the Issuer shall redeem on such Interest Payment Date in the following order:

(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.

After giving notice of redemption pursuant to this sub-paragraph, the Issuer shall not make any further payment of principal on the Notes and no further reduction shall be made to the Principal Amount Outstanding of any such Note other than by way of redemption pursuant to this Condition 5(d).

(e) Note Principal Payments

The Note Principal Payment on any Interest Payment Date under Condition 5(b) or Condition 5(c) or Condition 5(d), as applicable, will, in relation to the Notes of a particular class, be a *pro rata* share of the aggregate amount required to be applied in redemption of the Notes of that class on such Interest Payment Date under Condition 5(b) or Condition 5(c) or Condition 5(d), as applicable, (rounded down to the nearest penny) provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

(f) Irrevocable Notices

Any notice of redemption given by the Issuer in connection with a redemption described in any of Conditions 5(b), (c), (d) or (e) shall be irrevocable and, upon the expiry of such notice, the Issuer will be bound to redeem the Notes of the related class in the amounts specified in these Conditions.

(g) *Cancellation*

All Notes redeemed in full pursuant to the foregoing provisions shall be cancelled forthwith and may not be resold or re-issued.

(h) *Purchase of Notes*

The Issuer may not at any time purchase any Notes in the open market or otherwise.

6. Post-Enforcement Call Option

(a) *Sales of Notes to PECO*

The Noteholders will, at the request of PECO, sell all (but not some only) of their holdings of Notes then outstanding to PECO pursuant to the Post-Enforcement Call Option, which entitles PECO to acquire all (but not some only) of the outstanding Notes (plus accrued interest thereon) for a consideration of £0.01 per Note, granted to PECO by the Trustee (on behalf of the Noteholders) under the Post-Enforcement Call Option Agreement.

(b) *Exercise of Post-Enforcement Call Option*

The Post-Enforcement Call Option will become exercisable on the date upon which the Trustee gives written notice to PECO that it has determined, in its sole opinion and discretion, that all amounts outstanding under the Notes have become due and payable, all available funds have been distributed, and there is no reasonable likelihood of there being any further realisations (whether arising from an enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Notes.

(c) *Acknowledgement of Post-Enforcement Call Option*

Each of the Noteholders grants to the Trustee, and acknowledges that the Trustee has, the authority and the power to bind such Noteholder in accordance with the provisions set out in the Post-Enforcement Call Option Agreement and each Noteholder by acquiring the relevant Notes irrevocably authorises the Trustee to act on its behalf in respect of the Post-Enforcement Call Option and agrees to be bound by the terms of this Condition and the Post-Enforcement Call Option Agreement, on its behalf, accordingly.

(d) Notice of exercise

The Issuer shall give notice of the exercise of the Post-Enforcement Call Option by PECO to the Noteholders in accordance with the Condition 15.

7. Payments

(a) Notes

Payments of principal and interest in respect of any Note will be made only against presentation, surrender (or, in the case of part payment only, endorsement) of such Note or the appropriate Coupon (as the case may be) at the specified office of any Paying Agent by sterling cheque drawn on, or by transfer to, a sterling account maintained by the payee to which sterling may be lawfully transferred or credited.

(b) Laws and Regulations

Payments of principal, interest and premium (if any) in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable to them.

(c) Overdue Principal Payments

If payment of principal is improperly withheld or refused on or in respect of any Note or part of the Note, the interest which continues to accrue in respect of such Note or part of the Note in accordance with Condition 4(a) will be paid against presentation of such Note at the specified office of any Paying Agent and in accordance with Condition 7(a).

(d) Change of Paying Agents and Agent Bank

The Principal Paying Agent is ABN AMRO Bank N.V. (London Branch). The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or, subject to the appointment of replacement, terminate the appointment of the Principal Paying Agent, any other Paying Agent and the Agent Bank and to appoint additional or other agents. The Issuer will at all times maintain a Paying Agent with a specified office in Dublin, for so long as the Notes are listed on the Irish Stock Exchange and the Irish Stock Exchange requires such a Paying Agent. The Issuer shall cause at least 30 days' notice of any change in or addition to the Paying Agents to be given to the Noteholders in accordance with Condition 15.

(e) Presentation on Non-Business Days

If any Note or Coupon is presented (if required) for payment on a day which is not a business day in the place where it is so presented and (in the case of payment by transfer to an account as referred to in Condition 7(a) above) in London, payment will be made on the next succeeding day that is a business day and no further payments of additional amounts by way of interest, principal or otherwise will be due in respect of such Note or Coupon. For the purposes of Condition 5 and this Condition 7, "**business day**" means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments in that place.

(f) Unmatured Coupons and unexchanged Talons

Upon the date on which any Note becomes due and payable in full pursuant to Conditions 5, unmatured Coupons appertaining to such Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons and any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet).

(h) Accrual of Interest on Late Payments

If interest is not paid in respect of a Note of any class on the date when due and payable (other than by reason of non-compliance with Condition 7(a) or (b)), then such unpaid interest shall itself bear interest at the applicable Rate of Interest until such interest and interest on the unpaid interest is available for payment and applicable notice has been duly given to the Noteholders in accordance with Condition 15, provided that such interest and interest on the unpaid interest are, in fact, paid.

(i) Redenomination

(i) If at any time there is a change in the currency of the United Kingdom such that the Bank of England recognises a different currency or currency unit or more than one currency or currency unit as the lawful currency of the United Kingdom, then references in, and obligations arising under, the Notes outstanding at the time of any such change and which are expressed in sterling will be translated into, and/or any amount becoming payable under the Notes after such change as specified in these Conditions will be paid in, the currency or currency unit of the United Kingdom, and in the manner designated by the Principal Paying Agent.

Any such translation will be made at the official rate of exchange recognised for that purpose by the Bank of England.

(ii) Where such a change in currency occurs, the Notes then outstanding, the applicable Transaction Documents and these Conditions will be amended in the manner agreed by the Issuer and the Trustee so as to reflect that change and, so far as practicable, to place the Issuer, the Trustee and the Noteholders in the same position each would have been in had no change in currency occurred (such amendments to include, without limitation, changes required to reflect any modification to business day or other conventions arising in connection with such change in currency). All amendments made pursuant to this Condition 7(i) will be binding upon holders of such Notes.

(iii) Notification of the amendments made to Notes pursuant to this Condition 7(i) will be made to the Noteholders in accordance with Condition 15 which will state, *inter alia*, the date on which such amendments are to take or took effect, as the case may be.

8. Taxation

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any Paying Agent is required by applicable law in any jurisdiction to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent (as the case may be) will make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.

9. Prescription

Claims for principal in respect of Notes will become void unless the relevant Note is presented for payment within 10 years of the appropriate relevant date. Claims for interest in respect of Coupons will become void unless the relevant Coupon is presented for payment within five years of the appropriate Relevant Date.

In this Condition 9, the "**Relevant Date**" means the date on which a payment in respect of this Condition 9 first becomes due, but if the full amount of the moneys payable has not been received by the Principal Paying Agent or the Trustee on or prior to such date, it means the date on which the full amount of such moneys shall have been so received, and notice to that effect shall have been duly given to the Noteholders in accordance with Condition 15.

10. Events of Default

(a) Eligible Noteholders

If any of the events mentioned in sub-paragraphs (i) to (v) inclusive below occurs (each such event being an "**Event of Default**") the Trustee may, and if so requested in writing by the Eligible Noteholders or if so directed by or pursuant to an Extraordinary Resolution of the then Most Senior Class of Noteholders, shall, and in any case as aforesaid, subject to the Trustee being indemnified and/or secured to its satisfaction, give notice (a "**Note Enforcement Notice**") to the Issuer declaring all the Notes to be due and repayable and the Issuer Security enforceable:

(i) default is made for a period of seven days or more in the payment on the due date of any principal or interest due on the Most Senior Class of Notes (for such purposes ignoring any deferral of interest); or

(ii) default is made by the Issuer in the performance or observance of any obligation, condition or provision binding upon it under any of the Notes of any class, the Trust Deed, the Deed of Charge and Assignment or the other Transaction Documents to which it is party (other than any obligation referred to in (i) above for the payment of any principal or interest on any class of Notes) and, (except where in the opinion of the Trustee such default is incapable of remedy in which case no notice of default will be required to be delivered) such default continues for a period of 30 days following the service by the Trustee on the Issuer of written notice requiring the same to be remedied and provided that the Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders; or

(iii) the Issuer, otherwise than for the purposes referred to in Condition 10(iv) below, ceases or threatens to cease to carry on its business or a substantial (in the opinion of the Trustee acting in the interests of the Noteholders) part of its business or the Issuer is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as the section may be amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or otherwise becomes insolvent; or

(iv) an order is made or an effective resolution is passed for winding up the Issuer except a winding up for the purpose of a merger, reconstruction or amalgamation, the terms of which have previously been approved either in writing by the Trustee or by an Extraordinary Resolution of the holders of the relevant class of Notes; or

(v) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, including, for the avoidance of doubt, any application to court for an administration order or the appointment of an administrator, administrative receiver, other receiver or other similar official in relation to the Issuer or in relation to the whole or any substantial part (in the opinion of the Trustee acting in the interests of the Noteholders) of the assets or undertaking of the Issuer or an encumbrancer shall take possession of the whole or any substantial part (in the opinion of the Trustee acting in the interests of the Noteholders) of the assets or undertaking of the Issuer or a distress, execution, or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part (in the opinion of the Trustee acting in the interests of the Noteholders) of the assets or undertaking of the Issuer and in any of the foregoing cases it shall not be discharged within 14 days or if the Issuer initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally.

(b) Effect of Declaration by Trustee

Upon any declaration being made by the Trustee in accordance with Condition 10(a) above, all the Notes then outstanding shall immediately become due and repayable at their Principal Amount Outstanding together with accrued interest and the Issuer Security shall become enforceable, all in accordance with the Trust Deed and the Deed of Charge and Assignment.

11. Enforcement

Subject to the provisions of Condition 10 and Condition 13, the Trustee may, without notice, take such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes and the Transaction Documents and may, at any time after the Issuer Security has become enforceable, without notice, take possession of the Issuer Security or any part of the Issuer Security and may in its discretion sell, call in, collect and convert into money the Issuer Security or any part of the Issuer Security in such manner and upon such terms as the Trustee may think fit to enforce the Issuer Security, but it will not be bound to take any such proceedings or steps unless:

(a) subject to the proviso below, it is directed to do so by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding or by a notice in writing signed by the Eligible Noteholders; and

(b) it shall be indemnified and/or secured to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable under the Notes and the Transaction Documents and all liabilities, losses, costs, charges, damages and expenses (including any VAT) which it may incur by so doing,

PROVIDED THAT:

(i) the Trustee shall not be bound to act at the direction of the Class B Noteholders unless to do so would not in the opinion of the Trustee be materially prejudicial to the interests of the Class A Noteholders or the Trustee has been directed to take such action by an Extraordinary Resolution of the Class A Noteholders or by a notice in writing signed by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Class A Notes then outstanding;

(ii) the Trustee shall not be bound to act at the direction of the Class C Noteholders unless to do so would not in the opinion of the Trustee be materially prejudicial to the respective interests of the Class A Noteholders and the Class B Noteholders or the Trustee has been directed to take such action by Extraordinary Resolutions of each of the Class A Noteholders and the Class B Noteholders or by a notice in writing signed by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Class A Notes and the Class B Notes then outstanding; and

(iii) the Trustee shall not be bound to act at the direction of the Class D Noteholders unless to do so would not in the opinion of the Trustee be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders or the Trustee has been directed to take such action by Extraordinary Resolutions of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders or by a notice in writing signed by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Class A Notes, the Class B Notes and the Class C Notes then outstanding.

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. No Noteholder will be entitled to take proceedings for the winding up or administration of the Issuer. The Trustee cannot, while any of the Notes are outstanding, be required to enforce the Issuer Security at the request of any other Secured Party under the Deed of Charge and Assignment.

12. Meetings of Noteholders, Modification and Waiver

(a) The Trust Deed contains provisions for convening meetings of the Noteholders of any class to consider any matter affecting their interests including the sanctioning by Extraordinary Resolution of, inter alia, the removal of the Trustee, a modification of the Notes (including these Conditions) or the provisions of any of the Transaction Documents.

(b) In relation to each class of Notes:

    (i) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other classes of Notes (to the extent that there are outstanding Notes in each such other classes);

    (ii) no Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other classes of Notes ranking senior to such class (to the extent that there are outstanding Notes ranking senior to such class) unless the Trustee considers that none of the holders of each of the other classes of Notes ranking senior to such class would be materially prejudiced by the absence of such sanction; and

    (iii) any resolution passed at a Meeting of Noteholders of one or more classes of Notes duly convened and held in accordance with Trust Deed shall be binding upon all Noteholders of such class or classes, whether or not present at such Meeting and whether or not voting and, except in the case of a meeting relating to a Basic Terms Modification, any resolution passed at a meeting of the holders of the Most Senior

Class of Notes duly convened and held as aforesaid shall also be binding upon the holders of all the other classes of Notes.

(c) Subject as provided below, the quorum at any meeting of the Noteholders of any class for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. in Principal Amount Outstanding of the Notes of such class or, at any adjourned meeting, two or more persons being or representing Noteholders of such class whatever the Principal Amount Outstanding of the Notes of such class so held or represented. For so long as all the Notes of a class are held by one person, such person will constitute two persons for the purposes of forming a quorum for meetings. Furthermore, a proxy for the holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders.

The quorum at any meeting of the Noteholders of any class for passing an Extraordinary Resolution in respect of a Basic Terms Modification (as defined in the Trust Deed) will be two or more persons holding or representing not less than 75 per cent. or, at any adjourned such meeting 33 per cent. in Principal Amount Outstanding of the Notes of such class for the time being outstanding.

The majority required for an Extraordinary Resolution shall be not less than 75 per cent. of the votes cast on the resolution. An Extraordinary Resolution passed at any meeting of Noteholders of any class shall be binding on all Noteholders of such class whether or not they are present at such meeting.

(d) The Trustee may agree, without the consent of the holders of Notes of any class, (i) to any modification (except a Basic Terms Modification) of, or to any waiver or authorisation of any breach or proposed breach of, the Notes (including these Conditions) or any of the Transaction Documents which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders or (ii) to any modification of the Notes (including these Conditions) or any of the Transaction Documents which, in the opinion of the Trustee, is to correct a manifest error or is of a formal, minor or technical nature. The Trustee may also, without the consent of the Noteholders of any class, determine that an Event of Default will not, subject to specified conditions, be treated as such, provided always that the Trustee will not exercise such powers of waiver, authorisation or determination in contravention of any express direction given by the Eligible Noteholders or by an Extraordinary Resolution of the Class A Noteholders or, if no Class A Notes are outstanding, the then Most Senior Class of Noteholders (provided that no such direction shall affect any authorisation, waiver or determination previously made or given). Any such modification, waiver, authorisation or determination will be binding on the Noteholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable after such modification in accordance with Condition 15.

(e) Where the Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions, to have regard to the interests of the Noteholders of any class, it shall have regard to the interests of such Noteholders as a class and, in particular, but without prejudice to the generality of the foregoing, the Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the 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 consequence of any such exercise upon individual Noteholders.

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

13. Indemnification and Exoneration of the Trustee

The Trust Deed and certain of the Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Trustee and for its indemnification in certain circumstances, including provisions relieving it from taking enforcement proceedings or enforcing the Issuer Security unless indemnified and/or secured 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 Security, or any deeds or documents of title to the Issuer Security, being uninsured or inadequately insured or being held by or to the order of other parties to the Transaction Documents, clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other similar persons whether or not on behalf of the Trustee.

The Trust Deed contains provisions pursuant to which the Trustee or any of its related companies is entitled, *inter alia*, (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 Security 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 Security 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 as a result of or in connection with the same.

The Trust Deed also relieves the Trustee of liability for not having made or not having caused to be made on its behalf the searches, investigations and enquiries which a prudent chargee would normally have been likely to make in entering into the Deed of Charge and Assignment. The Trustee has no responsibility in relation to the validity, sufficiency and enforceability of the Issuer Security. The Trustee will not be obliged to take any action which might result in its incurring personal liabilities unless indemnified and/or secured to its satisfaction or to supervise the performance by the Servicer, the Special Servicer, the Operating Bank, the Liquidity Facility Provider, or any other person of their obligations under the Transaction Documents and the Trustee will assume, until it has actual knowledge to the contrary, that all such persons are properly performing their duties, notwithstanding that the Issuer Security (or any part of the Issuer Security) may, as a consequence, be treated as floating rather than fixed security.

14. Replacement of Notes, Coupons and Talons

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent subject in each case to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

15. Notice to Noteholders

(a) All notices, other than notices given in accordance with the following paragraphs of this Condition 15, to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 15 on the date of delivery to Euroclear and

Clearstream, Luxembourg; *provided, however*, that, so long as the Notes are listed on the Irish Stock Exchange and its rules so require, notices will also be published in a leading newspaper printed in the English language having general circulation in Dublin (which is expected to be *The Irish Times*) or, if that is not practicable, in such English language newspaper or newspapers as the Trustee approves having a general circulation in Ireland and the rest of Europe. Any such notice so published in a newspaper shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required.

(b) Any notice specifying an Interest Payment Date, a Rate of Interest, an Interest Amount or Principal Amount Outstanding shall be deemed to have been duly given if the information contained in such notice appears on the relevant page of the Reuters Screen or such other medium for the electronic display of data as may be previously approved in writing by the Trustee and notified to the Noteholders. Any such notice shall be deemed to have been given on the first date on which such information appeared on the relevant screen. If it is impossible or impractical to give notice in accordance with this paragraph then notice of the matters referred to in this paragraph shall be given in accordance with Condition 15(a).

(c) A copy of each notice given in accordance with this Condition 15 shall be provided to (for so long as the Notes of any class are listed on the Irish Stock Exchange) the Company Announcements Office of the Irish Stock Exchange and at all times to Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Moody's Investors Service Limited ("**Moody's**" and, together with S&P, the "**Rating Agencies**"), which reference in these Conditions shall include any additional or replacement rating agency appointed by the Issuer, with the prior written approval of the Trustee, to provide a credit rating in respect of the Notes or any class of the Notes). 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.

(d) The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

16. Privity of Contract

No person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

17. Governing Law

The Trust Deed, the Deed of Charge and Assignment, the Agency Agreement, the other Transaction Documents and the Notes are governed by, and shall be construed in accordance with, English law.

FORM OF THE NOTES

1. Global Notes

The Notes of each class will be represented initially by a Temporary Global Note in bearer form, without Coupons which will be deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg on the Closing Date.

Upon the deposit of the Temporary Global Notes, Euroclear or Clearstream, Luxembourg will credit, by means of book entries, each subscriber of the Notes represented by the Temporary Global Notes with the principal amount of the Notes for which it has subscribed and paid.

Interests in each Temporary Global Note will be exchangeable not earlier than the Exchange Date (provided customary certification of non-U.S. beneficial ownership by the Noteholders has been received) for an interest in a Permanent Global Note of the corresponding class in bearer form without Coupons attached in a principal amount equal to the Principal Amount Outstanding of the corresponding Temporary Global Note. References in this Prospectus to the "**Global Notes**" means the Temporary Global Notes and the Permanent Global Notes or any of them, as the context may require.

On the exchange of each Temporary Global Note for the corresponding Permanent Global Note, such Permanent Global Note will remain deposited with the Common Depositary.

Title to the Global Notes will be transferable by delivery. Definitive Notes will not be available except in the limited circumstances described below and not in any event before the Exchange Date. While any Global Note is outstanding, payments on the Notes represented by such Global Note will be made to, or to the order of, the Common Depositary as the holder of the Global Note. In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, each of the persons appearing from time to time in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note (each, an "**Accountholder**") will be entitled to receive any payment made in respect of that Note, provided, however, that if any payment of principal and/or interest in respect of any Notes falls due whilst such Notes are represented by a Temporary Global Note, payment of principal and/or interest in respect of such Notes will be made only to the extent that customary certification of non-U.S. beneficial ownership has been received by Euroclear or Clearstream, Luxembourg.

Each Accountholder must, for as long as the Notes remain represented by a Global Note, look solely to Euroclear or, as the case may be, Clearstream, Luxembourg for its share of each payment made by the Issuer to the bearer of such Global Note, subject to and in accordance with the rules and procedures of Euroclear or Clearstream, Luxembourg, as appropriate.

Whilst the Notes are represented by a Global Note, the relevant Accountholders shall have no claim directly against the Issuer in respect of payments due on the relevant Notes and the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

To the extent permitted by applicable law, the Issuer, the Trustee, the Principal Paying Agent and any other Paying Agents may treat the holder of a Note represented by a Global Note as the absolute owner of the same (notwithstanding any notice of ownership, trust or other interest including that of the Noteholders) for the purpose of making payments on the Notes represented by it, and the expression "**Noteholder**" shall be construed accordingly.

For so long as the Notes are represented by Global Notes, the Notes will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

Principal and interest on the Permanent Global Note will be payable against presentation of that Global Note at the specified office of the Principal Paying Agent or any other Paying Agents. A record of each payment made on a Global Note, distinguishing between any payment of principal and payment of interest, will be endorsed on that Global Note by or on behalf of the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

2. Amendments to Conditions

Each Global Note contains provisions that apply to the Notes that it represents, some of which modify the effect of the Conditions of the Notes set out in this Prospectus. The following is a summary of those provisions:

(a) ***Payments***: Payments of principal and interest in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Note to or to the order of the Principal Paying Agent. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the relevant Notes.

(b) ***Meetings***: The holder of each Global Note will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each £50,000 of principal amount of Notes for which the relevant Global Note may be exchanged.

(c) ***Cancellation***: Cancellation of any Note required by the Conditions to be cancelled will be effected by reduction in the principal amount of the applicable Global Note.

(d) ***Issuance of Definitive Notes***: If, after the Exchange Date, (i) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system satisfactory to the Trustee is available or (ii) the Issuer would suffer a material disadvantage in respect of the Notes as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision or other authority having power to tax in the United Kingdom) or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, or the Issuer or any Paying Agent is or will be required to make a deduction or withholding from any payment in or in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will, at its sole cost and expense, issue Notes in definitive form. If any such event referred to above occurs while any Notes are represented by a Temporary Global Note, then Definitive Notes will not be issued until the relevant Temporary Global Note has been exchanged for the Permanent Global Note, which exchange shall not, in any event, occur before the Exchange Date. Definitive Notes, if issued, will be available at the offices of any Paying Agent.

If the Issuer fails to meet its obligations to issue Notes in definitive form in exchange for a Permanent Global Note, then the Permanent Global Note shall remain in full force and effect.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be approximately £535,000,000 and this will be applied by the Issuer in part towards payment to the Originator of the purchase consideration in respect of the Loans and interest accrued on the Loans and the Originator's beneficial interests in the Loan Security to be purchased on the Closing Date pursuant to the Loan Sale Agreement (See "*The Loans and the Loan Security*"). Fees, commissions and expenses incurred by the Issuer in connection with the issue of the Notes will be met by the Originator and, to a limit of £37,500, by the Issuer.

UNITED KINGDOM TAXATION

The following, which applies only to persons who are the beneficial owners of the Notes, is a summary of the Issuer's understanding of current United Kingdom tax law and HM Revenue & Customs practice as at the date of this Prospectus relating to certain aspects of the United Kingdom taxation of the Notes. It is not a comprehensive analysis of the tax consequences arising in respect of Notes. Some aspects do not apply to certain classes of taxpayer (such as dealers). 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.

Interest on the Notes

1. Withholding tax on payments of interest on the Notes

For so long as the Notes are and continue to be listed on a "*recognised stock exchange*" within the meaning of section 841 of the Income and Corporation Taxes Act 1988 (the Irish Stock Exchange is such a "*recognised stock exchange*" for this purpose) interest payments on each of the Notes will be treated as a "*payment of interest on a quoted Eurobond*" within the meaning of section 349 of the Income and Corporation Taxes Act 1988. In these circumstances, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax irrespective of whether the Notes are in global form or in definitive form.

If the Notes cease to be listed on a recognised stock exchange, an amount must be withheld on account of United Kingdom income tax at the lower rate (currently 20 per cent.) from interest paid on them, subject to any direction to the contrary from the Inland Revenue in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty or to the interest being paid to the persons (including companies within the charge to United Kingdom corporation tax) and in the circumstances specified in sections 349A to 349D of the Income and Corporation Taxes Act 1988.

2. Provision of Information

Noteholders should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by the Issuer or any person in the United Kingdom acting on behalf of the Issuer (a "**paying agent**"), or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (other than solely by clearing or arranging the clearing of a cheque) (a "**collecting agent**"), then the Issuer, the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply HM Revenue & Customs details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address). These provisions will apply whether or not the interest has been paid subject to withholding or the deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Noteholder is not so resident, the details provided to HM Revenue & Customs may, in certain cases, be passed by HM Revenue & Customs to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

3. Further United Kingdom tax issues for non-United Kingdom resident Noteholders

Interest on the Notes constitutes United Kingdom source income and, as such, may be subject to income tax by direct assessment even where paid without withholding, subject to such relief as may be available pursuant to the provisions of an applicable double taxation treaty.

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 branch or agency, or in the case of a Noteholder which is a company carries on a trade through a permanent establishment, in the United Kingdom in connection with which the 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).

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision under an applicable double taxation treaty.

United Kingdom corporation tax payers

In general, Noteholders which are within the charge to United Kingdom corporation tax in respect of Notes will be charged to tax as income on all returns on and fluctuations in value of the Notes broadly in accordance with their statutory accounting treatment.

Other United Kingdom tax payers

1. Taxation of changeable gains

It is expected that the Notes will not be regarded by the HM Revenue and Customs as constituting "qualifying corporate bonds" within the meaning of Section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal of the Notes may give rise to a chargeable gain or an allowable loss for the purposes of the United Kingdom taxation of chargeable gains. There are provisions to prevent any particular gain (or loss) from being charged (or relieved) at the same time under these provisions and also under the provisions of the "accrued income scheme" described in 2 below.

2. Accrued income scheme

On a disposal of Notes by a Noteholder, any interest which has accrued since the last Interest Payment Date may be chargeable to tax as income under the rules of the "accrued income scheme" 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.

Stamp duty and stamp duty reserve tax

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Global Notes or of a Definitive Note.

EU Directive on the taxation of savings income

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

SUBSCRIPTION AND SALE

Société Générale, Bancaja, La Caixa and Bankinter, (the "**Managers**"), pursuant to a subscription agreement dated 10 April 2006 (the "**Subscription Agreement**"), between the Managers, the Issuer and the Originator, have agreed, jointly and severally, subject to certain conditions, to subscribe and pay for the Class A Notes at 100 per cent. of the principal amount of such Notes and the Lead Manager has agreed subject to certain conditions, to subscribe and pay for the Class B Notes at 100 per cent. of the principal amount of such Notes, the Class C Notes at 100 per cent. of the principal amount of such Notes and the Class D Notes at 100 per cent. of the principal amount of such Notes.

The Issuer has agreed to reimburse the Managers for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement is subject to a number of conditions and may be terminated by the Managers in certain circumstances prior to payment to the Issuer. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

United States of America

Each of the Managers has represented and agreed with the Issuer that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act. Each of the Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date (for the purposes only of this section "*Subscription and Sale*", the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. Persons and that it will have sent to each distributor, dealer or other person to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. Persons. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

In addition, 40 days after the commencement of the offering of the Notes, 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.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

United Kingdom

Each of the Managers has further represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the 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.

General

Except for listing the Notes on the Official List of the Irish Stock Exchange and delivery of this document to the Registrar of Companies 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.

GENERAL INFORMATION

1. The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on 7 April, 2006.

2. It is expected that listing of the Notes on the Official List of the Irish Stock Exchange will be granted on or about 10 April, 2006, 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.

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

	Common Code	ISIN
Class A	XS0249540138	24954013
Class B	XS0249541029	24954102
Class C	XS0249542266	24954226
Class D	XS0249543157	24954315

4. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. So long as the Notes are 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 Paying Agent in Dublin. The Issuer does not publish interim accounts.

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

6. Since the date of its incorporation, the Issuer has entered into the Subscription Agreement being a contract entered into other than in its ordinary course of business.

7. Save as disclosed herein, since 13 February, 2006 (being the date of incorporation of the Issuer), there has been (i) no material adverse change in the financial position or prospects of the Issuer and (ii) no significant change in the trading or financial position of the Issuer.

8. For so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, copies of the following documents will be available in electronic format for inspection during usual business hours on any week day (excluding Saturdays, Sundays, and public holidays) at the offices of the Issuer at 35 Great St. Helen's, London EC3A 6AP and at the specified offices of the Irish Paying Agent in Dublin during the period of 14 days from the date of this document:

   (i) the Memorandum and Articles of Association of the Issuer;

   (ii) the Subscription Agreement referred to in paragraph 6 above; and

   (iii) drafts (subject to modification) of the following documents:

      (a) the Agency Agreement;

      (b) the Cash Management Agreement;

      (c) the Corporate Services Agreement;

      (d) the Deed of Charge and Assignment;

      (e) the Intercreditor Agreement;

(f) the Liquidity Facility Agreement;

(g) the Loan Sale Agreement;

(h) the Master Definitions Agreement;

(i) the Post-Enforcement Call Option Agreement;

(j) the Servicing Agreement;

(k) the Subscription Agreement;

(l) the Tranching Account Declaration of Trust; and

(m) the Trust Deed,

including any supplements to any of the above, and all other agreements and documents comprised in the security for the Notes pursuant to the Deed of Charge and Assignment.

APPENDIX 1 – THE BORROWERS

PART 1

The First Borrower (Prime Locations)

The first Borrower is Prime Locations and Properties Limited Partnership, a limited partnership constituted under English law with registered number LP008926 on 1 October, 2003. It currently comprises, as general partner, Prime Locations and Properties (GP) Limited (a limited company incorporated in England and Wales on 7 August, 2003) whose registered office is 7th Floor, 90 High Holborn, London, WC1V 6XX (the "**General Partner**") and its telephone number is +44 1534 636211 and, as limited partners, Samja Holdings Limited and Samja Holdings (No 2) Limited (both limited companies incorporated in Jersey on 4 July, 2003 and 22 September, 2003, respectively) of 28-30 The Parade, St Helier, Jersey. The Borrower is one of a group of companies the ultimate holding company of which is Equity Trust (Jersey) Limited.

Principal Activities

Pursuant to its partnership agreement, the main purpose of Prime Locations is to carry on the business of an investor in the Prime Locations Property. The partnership agreement also states that Prime Locations is able to acquire, hold and sell property. Prime Locations was set up specifically for the purpose of acquiring the beneficial interest in the Prime Locations Property and, since the date of its constitution, has not engaged in any other activity other than such acquisition and activities involved in holding the Prime Locations Property.

To the best of the Originator's knowledge, Prime Locations is not, nor within the past 12 months has been, involved in any governmental, legal or arbitration proceedings (including any which are pending or, so far as Prime Locations is aware, threatened).

Principal Officers

The directors of the General Partner as at the Cut-Off Date are as follows:

Name	**Business Address**
Christine Maureen Brown	28-30 The Parade, Jersey, Channel Islands
Frances Margaret Leonard	28-30 The Parade, Jersey, Channel Islands

The principal officers undertake their required duties as directors of the General Partner and their related duties to Prime Locations. In accordance with English law, the directors have a duty to act in the best interests of the Borrower when carrying out such required duties. To the best of the Originator's knowledge, there are no conflicts of interests between any duties of the directors to the General Partner or Prime Locations and their private interests and/or other duties.

Loan Capital

The outstanding loan capital of Prime Locations (as of the Cut-Off Date) consists of a Senior Loan of £238,196,398.42 and a Junior Loan of £40,206,990.11 both advanced by the Originator on 9th September 2005. The Senior Loan and Junior Loan both share the same security (see "**Security**" below). Prime Locations has also borrowed monies from its limited partners and associated companies – these are subordinated to the Senior Loan and Junior Loan pursuant to a separate subordination agreement.

Partnership Capital

Prime Locations has partnership capital of £11,000. The limited partners have also made available further sums by way of a loan to the partnership.

The Senior Loan

The principal amount of the Senior Loan (as of the Cut-Off Date) is £238,196,398.42. Interest is payable quarterly in arrear on the 23rd day of January, April, July and October in each year.

Amortisation payments commencing 23 April, 2006 are payable and the principal balance is to be repaid on 18 October, 2010.

Interest is payable at a margin above 3 months Sterling LIBOR (plus mandatory costs). Prime Locations, on drawdown of the Senior Loan, however entered into hedging arrangements with Société Générale (as Loan Swap Counterparty) the effect of which is to fix the rate of LIBOR for the period until 9 September, 2010. As at the Cut-Off Date, the interest rate was 5.50 per cent..

Security

The security for the Prime Locations Loan comprises:

(a) a first legal mortgage over the legal interest in the Prime Locations Property (granted by Capita IRG Trustees Limited, a trust corporation which holds the legal interest on bare trust for Prime Locations);

(b) a debenture from the General Partner (which holds the assets of Prime Locations on behalf of all partners) creating fixed and floating charges over all its assets, including first fixed charges over its beneficial interest in the Prime Locations Property;

(c) a first fixed charge over the shares in the General Partner;

(d) first fixed charges over the shares in the limited partners;

(e) a first fixed charge over the Collection Account into which income derived from the Prime Locations Property is paid;

(f) an Intercreditor Agreement with the Junior Lender; and

(g) a Subordination Agreement with other (associated) lenders.

The changes in respect of the shares in limited partners and the Collection Account are taken under Jersey law, all other security is subject to English law.

Prime Locations Property

The Prime Locations Property comprises an office building constructed in 1968 and fully refurbished between 1995 and 1997. It is held by Prime Locations freehold.

The Prime Locations Property was valued by Colliers CRE on 2 September, 2005. The open market value of the Prime Locations Property was valued to be £310,000,000 and its vacant possession value was valued at £265,000,000.

The Prime Locations Property is subject to a headlease of whole for a term expiring on 30 April, 2024, currently vested in CGU International Plc. The headlease reserves a current annual rent of £16,516,520 payable quarterly in advance on 15 January, 15 April, 15 July and 15 October in each year. The rent is subject to review (upwards only), the next review date being 30 April, 2009. The tenant is obliged to insure the Prime Locations Property (in the joint names of itself and the landlord) at its own expense, to maintain and repair the same, and pay for the provision of all services. There are no provisions for the tenant to terminate prior to the expiry of the contractual term other than in the case of non-reinstatement after insured damage.

The landlord has agreed not to elect to charge VAT in respect of the Prime Locations Property (Prime Locations will be bound by this restriction).

Accounts

The accounts of Prime Locations and Properties Limited Partnership, set out below, have been audited by BDO Alto Limited, whose address is 28-30 The Parade, St Helier, Jersey JE1 1BG. The auditors are members of the Institute of Chartered Accountants in England and Wales:

PRIME LOCATIONS AND PROPERTIES LIMITED PARTNERSHIP

REPORT OF THE GENERAL PARTNER

5 APRIL 2004

The General Partner presents its report on the audited financial statements of Prime Locations and Properties Limited Partnership for the period ended 5 April 2004.

Establishment

The Prime Locations and Properties Limited Partnership (the "partnership" or the "limited partnership") was formed on 1 October 2003. The partnership was registered on 3 October 2003.

Principal activities

The principal activity of the partnership is to hold an investment property comprising freehold land and a building known as Aviva Tower, situated at 1 Undershaft, London EC3.

Business review

The net profit for the period is £17,019,861. The general partner does not expect any significant change in the future developments of the partnership.

General Partner

The general partner is Prime locations & Properties (GP) Limited (formerly "Picnicflower Limited") who held office throughout the period and subsequently.

Distribution

The limited partnership has not made any distributions during the period.

Auditors

The auditors, BDO Alto Limited were appointed on 11 January 2006, and have expressed their willingness to continue in office.

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Prime Locations & Properties (GP) Limited
General Partner

PRIME LOCATIONS AND PROPERTIES LIMITED PARTNERSHIP

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES

The General Partner has undertaken to prepare financial statements for the partnership which give a true and fair view of the state of affairs of the partnership and of the profit or loss for that period. In preparing those financial statements, the General Partner has undertaken to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in existence.

The General Partner is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the partnership. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BDO Alto Limited
Chartered Accountants

28-30 The Parade, St Helier,
Jersey, Channel Islands JEI 1BG

INDEPENDENT AUDITORS' REPORT

To the General Partner of

Prime Locations and Properties Limited Partnership

We have audited the financial statements of Prime Locations and Properties Limited Partnership for the period from 1 October 2003 to 5 April 2004 which comprise the income statement, statement of changes in equity, balance sheet, cash flow statement and related notes 1 to 16. These financial statements have been prepared under the accounting policies set out in note 2.

This report is made solely to the General Partner in accordance with our letter of engagement dated 11 January 2006. Our audit work has been undertaken so that we might state to the General Partner those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the General Partner for our audit work, for this report and for the opinions we have formed.

Respective responsibilities of the General Partner and auditors

The General Partners' responsibilities are set out in the Statement of General Partner's Responsibilities. The General Partner has undertaken to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements are properly prepared in accordance with the Partnership's accounting policies. We also report to you if, in our opinion, the General Partner's Report is not consistent with the financial statements, if the Partnership has not kept proper accounting records and if we have not received all the information and explanations we require for our audit.

We read the other information issued with the financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the General Partner's report.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors of the General Partner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary m order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because we were unable to gain sufficient assurance over the valuation model and assumptions used in determining the fair value of the speculative interest rate swap disclosed in note 12 at a valuation of £10,990,000 There were no other satisfactory audit procedures we could adopt to confirm the fair value of this interest rate swap.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from disagreement about accounting treatment and from limitation in scope

As explained in note 6, the investment property is stated at a valuation of £256,500,000 as at 8 August 2003 and not at the fair value as at the balance sheet date as required by International Accounting Standard 40 "Investment Property". We are unable to quantify the effect of this departure on the financial statements.

Also as explained in note 12, the fair value of the bank borrowings has not been disclosed in accordance with International Accounting Standard 32 "Financial Instruments: Disclosure and Presentation". We are unable to quantify the effect of this departure on the financial statements.

Except for the failure to fair value the investment property and the bank borrowings at the period end and except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the fair value of the speculative interest rate swap, in our opinion the financial statements present fairly, in accordance with International Financial Reporting Standards as adopted for use in the European Union, the state of the Partnership's affairs as at 5 April 2004 and of its profit for the period from 1 October 2003 to 5 April 2004 and have been properly prepared in accordance with the accounting policies set out in note 2.

In respect alone of the limitation on our work relating to the fair value of the speculative interest rate swap we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

BDO Alto Limited
Chartered Accountants

Date: 07/04/06

INCOME STATEMENT
FOR THE PERIOD ENDED 5 APRIL 2004

	Notes	1 October 2003 to 5 April 2004 £
Continuing operations		
Rental Income	2	6,442,573
Fair value adjustments to Investment property	6	18,500,000
Administrative expenses		(6,730)
Operating profit	3	24,935,843
Finance income	4	8,226,982
Finance costs	4	(16,142,964)
Net profit for the period allocated to Partners' Capital Accounts		17,019,861

The income statement is prepared on a modified historical cost basis.

The notes on pages 9 to 14 form an integral part of these financial statements

PRIME LOCATIONS AND PROPERTIES LIMITED PARTNERSHIP

LIMITED PARTNERS CAPITAL ACCOUNTS

STATEMENT OF CHANGES IN CAPITAL
FOR THE PERIOD ENDED 5 APRIL 2004

	Aberdeen Property Investors Limited	Akaria No.2 Limited	CGU International Insurance PLC	Samja Holdings Limited	Samja Holdings (No.2) Limited	Total 2004 £
Initial capital contribution	5	-	-	-	-	5
Capital assigned	(5)	4	1	-	-	-
Additional capital contributions as cash	-	796	199	1	4	1,000
Other capital contributions	-	-	-	4,760	19,040	23,800
Capital transfers	-	(800)	(200)	200	800	-
Net capital contributions received before assignment of results	-	-	-	4,961	19,844	24,805
Allocation of net profit for the period	-	-	-	3,403,972	13,615,889	17,019,861
Capital account as at 5 April 2004	-	-	-	3,408,933	13,635,733	17,044,666

The notes on pages 9 to 14 form an integral part of these financial statements

PRIME LOCATIONS AND PROPERTIES LIMITED PARTNERSHIP

BALANCE SHEET
5 APRIL 2004

	Notes		2004
Non-current assets			
Investment property	**6**		256,500,000
Current assets			
Receivables	**7**	6,012	
Interest rate swap		8,210,000	
			8,216,012
Total assets			264,716,012
Current liabilities			
Payables	**8**	(14,629,496)	
Interest rate swap		(10,990,000)	
			(25,619,496)
Non current liabilities			
Long term borrowings	**9**		(222,051,850)
Total liabilities			(247,671,346)
Net assets			17,044,666
Capital Accounts			
Samja Holdings Limited			3,408,933
Samja Holdings (No2) Limited			13,635,733
			17,044,666

The financial statements on pages 5 to 14 were approved by the board of directors of Prime Locations and Properties (GP) Limited, General Partner and authorised for issue on 7th April 2006 and signed on their behalf by:

Director_______________________

The notes on pages 9 to 14 form an integral part of these financial statements

PRIME LOCATIONS AND PROPERTIES LIMITED PARTNERSHIP

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 5 APRIL 2004

	Notes	1 October 2003 to 5 April 2004 £	£
Net cash flow from operating activities	**13**		4,127,594
INVESTING ACTIVITIES			
Loan interest paid		(2,520,007)	
Bank interest received		16,982,000	
Net cash used in investing activities			(2,503,025)
FINANCING ACTIVITIES			
Capital contributions received		1,005	
Loan facility repaid		(1,619,562)	
Net cash from financing activities			(1,618,557)
Increase in cash	**2**		6,012

The notes on pages 9 to 14 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
5 APRIL 2004

1. **The Limited Partnership**

The Limited Partnership was established on 1 October 2003 by Aberdeen Property Investors Limited as the sole Limited Partner and Prime Locations and Properties (GP) Limited (formerly "Picnicflower Limited") as the General Partner. The partnership was registered on 3 October 2003 as a limited partnership pursuant to the provisions of the Limited Partnership Act 1907.

On 17 October 2003 Akaria (No2) Limited and CGU International Insurance became limited partners, their share of the partnership being 80% and 20% respectively.

On 14 November 2003 Samja Holdings (No2) Limited acquired Akaria (No2) Limited's 80% interest and Samja Holdings Limited acquired GGU International Insurances's 20% interest.

2. **Principal accounting policies**

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investment properties. Despite net current liabilities of £17,403,484 a letter of support has been provided by Equity Trust (Jersey) Limited as Trustee of the Ironzar II Trust undertaking to provide support to the Partnership to meet its liabilities for a period of twelve months from the date of signing these financial statements.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board (IASB).

A summary of the more important accounting policies is set out below.

Rental income

Rental income is accounted for on an accruals basis in accordance with the terms of the lease agreement. In accordance with SIC 15 'Operating Leases', the company treats any incentive for lessees to enter into lease agreements as a revenue cost and accounts for rental income from the commencement date of any rent-free year. The cost of all lease incentives is therefore offset against the total rent due over the lease term on a straight line basis.

Investment property

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Changes in fair value are recorded in the income statement.

In accordance with IAS 40 'Investment properties' fair value model, depreciation is not provided on investment properties.

Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the limited partnership becomes party to the contractual provisions of the instrument.

Receivables

Receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and are subject to an insignificant risk of changes in value. The limited partnership does not hold a bank account in its own right. Instead, all transactions are made through a bank account held by the General Partner on behalf of the partnership.

2 Principal accounting policies (continued)

Derivatives

The limited partnership uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations on borrowings.

The limited partnership has a policy not to use derivative financial instruments for speculative purposes generally, however, in certain instances the Limited Partnership may be required to enter into derivative financial instrument contracts for speculative purposes in connection with obtaining financing.

Such derivative instruments are stated at fair value. These fair values are based on market value information at the balance sheet date.

Payables

Payables are not interest bearing, with the exception of the bank borrowings detailed below. Payables are stated at their nominal value.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the income statement using effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Taxation

A Limited Partnership is treated as a transparent entity for UK tax purposes. Instead the general and limited partners are subject to UK tax on their share of the Limited Partnerships profits. Accordingly, no UK tax is provided in the financial statements of the Limited Partnership.

3. Operating profit

The partnerships' audit fees and general partner fees (including administration fees and expenses) have been paid by the general partners' parent, intermediate parent or ultimate beneficial owner and are not reflected in these financial statements.

4. **Finance income and costs**

	1 October 2003 to 5 April 2004 £
Finance income	
Fair value of Swap	8,210,000
Bank interest receivable	16,982
	8,226,982

Finance costs	
Fair value of Swap	10,990,000
Bank loan facility interest payable	4,752,774
Issue costs on bank loans	400,190
	16,142,964

5. **Employees**

The limited partnership had no employees during the period.

6. **Investment property**

	2004 £
Additions in the period	238,000,000
Change in fair value	18,500,000
At 5 April 2004	256,500,000

The property comprises freehold land and a building known as Aviva Tower and is situated at 1 Undershaft, London EC3.

The investment property was valued on an open market basis by an independent firm of chartered surveyors at £256,500,000 as at 8 August 2003. The valuation was carried out in accordance with guidelines issued by the Royal Institute of Chartered Surveyors. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties. No depreciation has been charged against the investment property in accordance with IAS 40.

These accounts have been qualified as a result of the investment not being revalued to a fair value as at the period end.

The property, together with certain bank accounts, have been charged as security to SG Hambros and Bradford & Bingley against the partnerships bank borrowings, and shareholdings. There are currently no obligations to construct or develop the investment property.

The investment property is let at an annual rental of £16,516,520, equivalent to a rental yield of 6.439% on the period end value.

7. **Receivables**

	2004 £
Cash balance due from General Partner	6,012
	6,012

The amount due from the General Partner is unsecured, interest free with repayment date unspecified.

8. **Payables**

	2004 £
Due to Prime Locations and Properties (GP) Limited	5,200
Deferred rent income receivable	412,908
Loan interest payable (see Note 1)	1,980,199
Due to Samja Holdings (No.2) Limited	7,759,578
Due to Samja Holdings Limited	1,939,894
Bank Borrowings (see Note 9)	2,531,717
	14,629,496

The amounts due to Prime Locations and Properties (GP) Limited, Samja Holdings (No2) Limited and Samja Holdings Limited are unsecured, interest free with repayment date unspecified.

9. **Long term borrowings**

	2004 £
Bank Loan – Societe Generale	200,000,000
Bank Loan – Bradford & Bingley plc	22,292,291
Loan issue costs	(240,441)
	222,051,850

Analysis of long term borrowings	
Amounts due in less than 1 year (see note 8)	2,531,717
Amounts due in more than one year	222,051,850
	224,583,567

The Societe Generale bank loan is secured by a legal charge over the freehold property detailed in Note 6 above together with a charge over certain bank accounts, held by the General Partner. Interest is payable on the loan at an aggregate of LIBOR, plus a margin of 1.10% and a mandatory cost. Interest is payable quarterly. The loan is scheduled for repayment on 14 November 2008.

The Bradford & Bingley plc bank loan is secured by a legal charge over the freehold property detailed in Note 6 above, Interest is payable on the loan at an aggregate of a fixed rate of 4.97%, plus a margin of 2.10% and a mandatory cost. Interest is payable quarterly. The loan is due for repayment on 14 November 2008.

The bank loans are also secured by the shareholdings in Prime Locations and Properties (GP) Limited, Samja Holdings Limited and Samja Holdings (N02) Limited.

10. **Operating lease commitments**

The investment property generates a rental yield of 6.439% on an ongoing basis.

As at the balance sheet date, the limited partnership had contracted with tenants for the following future minimum lease rental payments:

	2004 **£**
Within one year	16,512,520
Between two and five years	66,066,080
Beyond five years	248,833,818
	331,412,418

11. **Financial instruments - Risk management**

Cash flow interest rate risk

The limited partnership uses interest rate swaps to manage exposure to interest rate movements on certain of its bank borrowings. The swap contracts have been entered into with Societe Generale as the counterparty whereby the partnership receives floating rate payments quarterly on a nominal amount of £200,000,000 at the sterling LIBOR rate and pays the counterparty a fixed amount of 4% on the nominal amount.

On 13 November 2003 the limited partnership entered into an interest rate swap with an effective date of 14 November 2008 in connection with the funding arrangement with Societe Generale. Under this contract the limited partnership agrees to pay floating rate amounts in sterling over a principal amount of £200,000,000. This floating rate percentage will vary by reference to the US Dollar LIBOR rate. This contract was entered into solely as part of the commercial arrangement in obtaining the limited partnership's funding arrangements with Societe Generale.

This contract terminates on 14 November 2013, but contains a mandatory early termination date of 14 November 2008 which represents Societe Generale's only option to terminate the contract. The Limited Partnership has the option to terminate this contract at any time. As agreed at the date of the contract, in the event of a termination, an early termination fee will be payable based on the market value of the instrument at the time of breakage.

As detailed in Note 16, after the balance sheet date, the Societe Generale loan facility of £200,000,000 was repaid as part of a refinancing transaction on 26 January 2005. As a result the associated swap contracts that the Limited Partnership had entered into at this balance sheet date were restructured on 26 January 2005, accordingly no termination fee was paid or received.

Foreign currency risk

The limited partnership does not consider there to be any foreign currency risk as all transactions are carried out in the functional currency of the limited partnership.

Liquidity risk

The limited partnership's objective is to maintain a balance between the continuity of funding and flexibility through the use of rental income, cash at bank and related parties loans. Short term liquidity needs are serviced by the net excess on rental income over interest on borrowings.

Market price risk

The rent receivable on the investment property is subject to review every 5 years, with the last review held on 30 April 1999. Rental reviews are to fair market rental on an upward only basis, accordingly the partnership is not exposed to the risk of decreasing rents during the lease term.

Credit risk

The property is let to a large respected institution, with a good credit rating and with an established payment history as a long term lessee of the existing property. Rental payments are due and received in advance. Accordingly, the directors are satisfied that the credit risk exposure is adequately mitigated.

12. **Financial instruments - Numerical information**

Maturity of financial liabilities

The carrying amounts of financial liabilities are repayable as follows:

	2004 **£**
In less than one year	25,619,496
In more than one year but not more than two years	2,825,909
In more than two years but not more than three years	3,180,904
In more than three years but not more than four years	3,442,408
In more than four years but not more than five years	212,602,630
	247,671,346

The interest profile of the limited partnership's financial liabilities and assets is as follows;

	2004 Floating Rate £	2004 Fixed Rate £	2004 Interest free £	2004 Total £
Financial liabilities				
Swap	10,990,000	-	-	10,990,000
Payables	-	2,531,717	2,398,307	4,930,024
Bank borrowings	-	222,051,850	-	222,051,850
Other borrowings	-	-	9,699,472	9,699,472
	10,990,000	224,583,567	12,097,779	247,671,346

	2004 Floating Rate £	2004 Fixed Rate £	2004 Interest free £	2004 Total £
Financial assets				
Swap	8,210,000	-	-	8,210,000
Receivables	-	-	6,012	6,012
	8,210,000	-	6,012	8,216,012

Whilst the Societe Generale loan facility bears interest at a variable rate of LIBOR plus applicable margins and a mandatory cost (see Note 9), the facility is hedged by means of an interest rate exchange swap to an extent of £200,000,000 (see Note 11).

Fair values

The directors consider that the carrying amount of short term trade receivables and payables are a reasonable approximation of fair value.

The General Partner has not disclosed the fair value of the bank borrowings in accordance with IAS 32, the financial statements have been qualified in this respect.

The auditors have been unable to gain sufficient assurance over the valuation model and assumptions used in calculating the fair value of the interest rate swap which is effective from 14 November 2008, as detailed in Note 11. The financial statements have been qualified in this respect.

13. Cash from operating activities

	1 October 2003 to 5 April 2004 £
Operating profit	24,935,843
Increase in fair value of investment property	(18,500,00)
Adjustment on acquisition of investment property	(2,726,357)
Increase in payables	418,108
Net cash from operating activities	4,127,594

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise of cash at bank and other short-term highly liquid investments with a maturity of 3 months or less.

At the period end, a cash balance was held by Prime Locations and Properties (GP) Limited as general partner on behalf of the partnership. For the purpose of these financial statements the cash flow statement on page 7 has been based on movements over this account.

The Limited Partnership acquired the property through a loan arrangement with the previous Limited Partners, Akaria No2 Limited and CGU International Insurance PLC. Upon acquisition of the Limited Partnership interests, the current Limited Partners settled the Limited Partnership's loan obligations to Akaria No2 Limited and CGU International Insurance PLC via

14. **Related Party Transactions**

As stated in Note 8 above, loans totalling £9,699,472 are payable to the Limited Partners. No interest was paid or is payable at the year end on these loans.

As stated in Note 7 £6,012 was due from Prime Locations and Properties (GP) Limited as general partner of the partnership. This represents a cash balance held on behalf of the partnership.

During the period the partnership was charged management fees totalling £5,195 by Prime Locations and Properties (GP) Limited. This is included in the amount due as stated in Note 9.

15. **Intermediate and Ultimate Controlling Party**

The immediate controlling party is Samja Holdings (No.2) Limited, and the ultimate controlling party became Equity Trust (Jersey) Limited as Trustee of the Ironzar Trust. On 1 September 2005, the ultimate controlling party changed to Equity Trust (Jersey) Limited as Trustee of the Ironzar II Trust.

16. **Post Balance Sheet Events**

After the balance sheet date, the Societe Generale loan facility of £200,000,000 was repaid as part of a refinancing transaction on 26 January 2005. As a result the associated swap contracts that the Limited Partnership had entered into at this balance sheet date were restructured on 26 January 2005, accordingly no termination fee was paid or received.

PART 2

The Second Borrower (Victoria Embankment)

The Second Borrower comprises of Victoria Embankment Properties Limited ("**VEPL**") and Victoria Embankment Holdings Limited ("**VEHL**"), both limited liability companies incorporated in Jersey and their telephone number is +44 1534636211. VEPL has registered number 91016 and was incorporated on 22 August, 2005 and VEHL has registered number 91070 and was incorporated in 30 August, 2005. The registered office of both companies is 28-30 The Parade, St Helier, Jersey.

Principal Activities

The main business of Victoria Embankment is the acquisition and ownership of units in VE Unit Trust, the only asset of which is the Victoria Embankment Property. To the best of the Originator's knowledge, neither VEPL, VEHL nor the VE Unit Trust is, nor within the past 12 months has been, involved in any governmental, legal or arbitration proceedings (including any which are pending or, so far as either company is aware, threatened).

Principal Officers

The principal officers of Victoria Embankment as at the Cut-Off Date are as follows:

Name	Business Address
Grant Brown (Director)	28-30 The Parade, St Helier, Jersey
Frances Margaret Leonard (Director)	28-30 The Parade, St Helier, Jersey

The principal officers undertake their required duties as directors of the Victoria Embankment. To the best of the Originator's knowledge, there are no conflicts of interests between any duties of the directors to Victoria Embankment and their private interests and/or other duties.

Loan Capital

The outstanding loan capital of Victoria Embankment (as of the Cut-Off Date) consists of a Senior Loan of £213,693,758.16 and a Junior Loan of £36,071,002.23 both advanced by the Originator on 2 September, 2005. The Senior Loan and Junior Loan both share the same security (see "**Security**" below). Victoria Embankment has also borrowed monies from associated companies – these are subordinated to the Senior Loan and Junior Loan pursuant to a separate subordination agreement.

Share Capital

VEPL and VEHL each have an authorised share capital of £10,000 of which 2 shares of £1 have been issued.

The Senior Loan

The principal amount of the Senior Loan (as of the Cut-Off Date) is £213,693,758.16. Interest is payable quarterly in arrear on the 23rd day of January, April, July and October in each year. Amortisation payments commencing 23 April, 2006 are payable and the principal balance is due to be repaid on 18 October, 2010.

Interest is payable at a margin above 3 months' Sterling LIBOR (plus Mandatory Costs). Prime Locations, after drawdown of the Loan, however entered into hedging arrangements with Barclays Bank Plc (as Loan Swap Counterparty) the effect of which is to fix the rate of LIBOR for the period until 9 September, 2010. As at the Cut-Off Date, the interest rate was 5.29 per cent..

Security

The security for the Victoria Embankment Loan comprises:

(a) a first legal mortgage over the Victoria Embankment Property (granted by Dominion Corporate Trustees Limited and Dominion Trust Limited in their capacities as trustees of the VE Unit Trust);

(b) debentures from VEPL and VEHL creating fixed and floating charges over each company's assets, including charges over any interest it may have in the Victoria Embankment Property;

(c) first fixed charges over the shares in VEPL and VEHL;

(d) a first fixed charge over the Collection Account into which income derived from the Victoria Embankment Property is paid;

(e) first fixed charges in respect of the units in VE Unit Trust owned by Victoria Embankment;

(f) a subordination agreement with other (associated) lenders.

The changes in respect of the shares in VEPL and VEHL, the Collection Account and the units in the VE Unit Trust are taken under Jersey law, all other security is subject to English law.

The Victoria Embankment Unit Trust

The VE Unit Trust was constituted by a trust deed dated 9 September, 2005 with Dominion Corporate Trustees Limited and Dominion Trust Limited (limited liability companies also incorporated in Jersey unconnected with Victoria Embankment). Its only asset is the Victoria Embankment Property which was transferred to it on 9 September, 2005.

The VE Unit Trust has currently issued a total of 26,000 units of which 25,740 are held by VEPL and 260 are held by VEHL. The provisions of the Trust Instrument, together with the charges over the units held by Victoria Embankment, effectively prevent the issue of further units, the acquisition of further assets or the borrowing of further funds by VE Unit Trust without the prior consent of the Security Trustee.

The Victoria Embankment Property

The Victoria Embankment Property comprises a substantial office complex arranged in three parts, two of which were constructed in 1991, although the remainder dates from the late 19th Century. It is held by the trustees of the VE Unit Trust leasehold under the terms of a lease expiring on 31st December 2988 at a peppercorn rent with no reviews.

The Victoria Embankment Property was valued by Allsop & Co. on 25 August, 2005. The open market value of the Victoria Embankment Property was valued to be £278,500,000 and its vacant possession value was valued at £196,460,000.

The Victoria Embankment Property is subject to a headlease of the whole of the same for a term expiring on 31 March, 2016. This lease is currently vested in JP Morgan Chase Bank and the current annual rent is £18,000,000 payable monthly in advance on the 1st day of each calendar month. The rent is subject to review (upwards only) the next review date being 1 April, 2006.

Under the terms of the lease the tenant (so long as it remains JP Morgan Chase Bank and maintains a minimum net worth of US$1,500,000,000, index linked) has the option of carrying its own risk so far as insurance of the premises is concerned. Whilst it is believed that the tenant currently satisfies this condition, it does not at present exercise this option but has taken out separate insurance in respect of usual risks.

There are no provisions for the tenant to terminate prior to the expiry of the contractual term although the tenant does have the option to renew the lease for a further term of 10 years, on a maximum of five further occasions, at the rent payable immediately prior to the expiry of the previous lease (there is a concession in that, so long as the tenant is JP Morgan Chase Bank and it occupies at least 108,000 sq feet, the rent payable until the first review date of the first renewal will be the greater of the rent payable immediately before the last review date of the original term and 97.5 per cent. of the open market rent attributable to the property at the date the new lease is granted - for subsequent renewals the figure of 95 per cent. of the open market rent is substituted for 97.5 per cent.).

PART 3

The Third Borrower (Millennium Bridge)

The Third Borrower is Millennium Bridge Investments Limited, a limited liability company incorporated in Jersey with registered number 90390. The registered office of the company is 28-30 The Parade, St Helier, Jersey and its telephone number is + 44 1534 636211.

Principal Activities

The main business of Millennium Bridge is the ownership of the property known as Millennium Bridge House, St Paul's Vista, London EC4 (the "**Millennium Bridge Property**").

To the best of the Originator's knowledge, Millennium Bridge is not, nor within the past 12 months has it been, involved in any governmental, legal or arbitration proceedings (including any which are pending or, so far as Millennium Bridge is aware, threatened).

Principal Officers

The principal officers of Millennium Bridge as at the Cut-Off Date are as follows:

Name	Business Address
Grant Brown (Director)	28-30 The Parade, St Helier, Jersey
Frances Margaret Leonard (Director)	28-30 The Parade, St Helier, Jersey

The principal officers undertake their required duties as directors of Millennium Bridge. To the best of the Originator's knowledge, there are no conflicts of interests between any duties of the directors to Millennium Bridge and their private interests and/or other duties.

Loan Capital

The outstanding loan capital of Millennium Bridge (as of the Cut-Off Date) consists of a Senior Loan of £83,069,926.76 and a Junior Loan of £14,022,007.66 both advanced by the Originator on 2 September, 2005. The Senior Loan and Junior Loan both share the same security (see "*Security*" below). Millennium Bridge has also borrowed monies from associated companies – these are subordinated to the Senior Loan and Junior Loan pursuant to a separate subordination agreement.

Share Capital

Millennium Bridge has an authorised share capital of £10,000 of which two shares of £1 have been issued.

The Senior Loan

The principal amount of the Senior Loan (as of the Cut-Off Date) is £83,069,926.76. Interest is payable quarterly in arrear on 23 January, April, July and October in each year. Amortisation payments commencing 23 April, 2006 are payable and the principal balance is to be repaid on 18 October, 2010.

Interest is payable at a margin above three months' Sterling LIBOR (plus mandatory costs). Millennium Bridge, after drawdown of the Loan, however entered into hedging arrangements with Barclays Bank plc (as Loan Swap Counterparty) the effect of which is to fix the rate of LIBOR for the period until 9 September, 2010. As at the Cut-Off Date, the interest rate was 5.29 per cent..

Security

The security for the Millennium Bridge Loan comprises:

(a) a first legal mortgage over the property known as Millennium Bridge House, St Paul's Vista, London, EC4;

(b) a debenture from Millennium Bridge creating fixed and floating charges over all its assets,

(c) a first fixed charge over the shares in Millennium Bridge;

(d) a first fixed charge over the Collection Account into which income derived from the Millennium Bridge Property is paid; and

(f) a subordination agreement with other (associated) lenders.

The changes in respect of the shares in Millennium Bridge and the Collection Account are taken under Jersey law, all other security is subject to English law.

The Millennium Bridge Property

The Millennium Bridge Property comprises an office building located on the north bank of the River Thames in the City of London constructed in 1988. It is held by Millennium Bridge under the terms of two leases, the first expiring on 24 December, 2137 at an annual rent equal to the greater of £400,000 or 20 per cent. of the net rents received for the previous year ending 24 December (rent is currently paid at the rate of £1,760,000 per annum). Rent is payable quarterly in arrears on the 25th March, 24th June, 29th September and 25th December in each year. The second headlease is for a term expiring on 24th December 2137 at a nominal peppercorn rent.

The Millennium Bridge Property was valued by DTZ on 9 September, 2005. The open market value of the Millennium Bridge Property was valued to be £108,300,000 and its vacant possession value was valued at £70,000,000.

The Millennium Bridge Property is subject to an underlease of the whole for a term expiring on 13 September, 2013. The underlease is currently vested in SBCI IB Limited (formerly SBCI Swiss Bank Corporation Investment Banking Limited – a subsidiary of UBS AG). The current annual rent under the occupational lease is £8,800,000 payable quarterly in advance on the 25 March, 24 June, 29 September and 25 December in each year, subject to review (upwards only) on 14 September, 2008. The tenant is responsible for insuring the Millennium Bridge Property at its own expense and is obliged to maintain and repair the premises and pay for the provision of all usual services. There are no provisions entitling the tenant to terminate prior to the expiry of the contractual term.

APPENDIX 2 - INDEX OF DEFINED TERMS

UK1 953710v.21

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London EC3A 6AP

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25 Canada Square
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TRUSTEE
ABN AMRO Trustees Limited
82 Bishopsgate
London EC2N 4BN

LEGAL ADVISERS

To the Managers, the Servicer and the Special Servicer
As to English Law:
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Woolgate Exchange
25 Basinghall Street
London EC2V 5HA

To the Trustee
As to English Law:
Clifford Chance Limited Liability Partnership
10 Upper Bank Street
London E14 5JJ

PRINCIPAL PAYING AGENT, AGENT BANK, CASH MANAGER AND OPERATING BANK
ABN AMRO Bank N.V. (London Branch)
250 Bishopsgate
London EC2M 4AA

IRISH PAYING AGENT

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3 George's Dock
International Financial Services Centre
Dublin 1
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LISTING AGENT
NCB Stockbrokers Limited
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