

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

THE SECURITIES DESCRIBED HEREIN ARE AVAILABLE ONLY TO INVESTORS LOCATED OUTSIDE THE UNITED STATES WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATIONS UNDER THE SECURITIES ACT.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The offering circular has been delivered to you on the basis that you are a person into whose possession this prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the offering circular by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005.

The offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Morgan Stanley & Co. International plc (in such capacity as the "**Arranger**" and the "**Lead Manager**") nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering distributed to you in electronic format and the hard copy version available to you on request from the Lead Manager.

DEER FUNDING UK PLC

(incorporated in England and Wales with limited liability with registration number 10519539)
(the "**Issuer**")

£110,544,000 Commercial Mortgage Backed Extendable Floating Rate Notes due 2019
(the "**Notes**")

Initial Principal Amount of the Notes	Issue Price	Interest Reference Rate	Margin ⁽²⁾	Expected Maturity Date ⁽³⁾	Final Maturity Date
£110,544,000 ⁽¹⁾	100%	three-month LIBOR	2.45 per cent.	16 May 2019	16 May 2019 unless extended to 18 May 2020 or, as the case may be, 18 May 2021, in each case in accordance with the Conditions

- (1) On the Closing Date, Morgan Stanley Principal Funding, Inc. (acting as sponsor) (the "**Retention Holder**") will advance a £5,818,272.50 loan (the "**Loan**", acknowledged by a promissory note issued by the Issuer, "**Retained Interest**") to the Issuer (as Borrower) under a Credit Agreement dated 30 March 2017 (the "**Credit Agreement**"). Under the Credit Agreement, the Issuer (as borrower) will make payments to the Retention Holder from (i) a proportion (being, expressed as a percentage, the outstanding principal amount of the Loan divided by the outstanding principal amount of the Underlying Loan (as defined below)) (the "**Loan Relevant Proportion**") of the principal and interest received with respect to its holding of the Underlying Loan and (ii) the Loan Relevant Proportion of all other fees and amounts payable to the Issuer as lender of record under the Senior Facilities Agreement (as defined below). The Retained Interest will rank *pari passu* with the Notes and entitle its holder to receive at least 5 per cent. of the principal and interest and any other amounts paid on the Notes. See "U.S. Credit Risk Retention Requirements" and "Subscription and Sale".
- (2) The Notes will bear interest at three-month LIBOR plus the Margin specified above.
- (3) Based on the assumptions set out in "**YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS**" at page 177.

Closing Date	The Issuer expects to issue the Notes on or about 30 March 2017 (the " Closing Date ").
Underlying Assets	<p>The Issuer will make payments on the Notes from (i) a proportion (being, expressed as a percentage, the aggregate Principal Amount Outstanding of the Notes divided by the outstanding principal amount of the Underlying Loan) (the "Notes Relevant Proportion") of the principal and interest received with respect to its holding of a £116,362,272.50 <i>pari passu</i> tranche (the "Underlying Loan") of a £264,000,000 loan (the "Term Facility A Loan") advanced by Morgan Stanley Bank, N.A, as original lender (the "Originator") under a facility (the "Term A Facility") provided pursuant to the Senior Facilities Agreement dated 18 October 2016 (the "Senior Facilities Agreement") and (ii) the Notes Relevant Proportion of all other fees and amounts payable to the Issuer as lender of record under the Senior Facilities Agreement. Payments of amounts under the Underlying Loan received by the Issuer will be applied in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable, and allocated to the Notes.</p> <p>The Term Facility A Loan is secured by a portfolio of commercial properties located in the United Kingdom (each a "Property" and collectively the "Properties" or the "Portfolio").</p>

	<p>During the life of the Notes, the Notes Relevant Proportion of Revenue Receipts are expected to be sufficient to pay the interest amounts under the Notes and the Notes Relevant Proportion of Principal Receipts are expected to be sufficient to repay the principal of the Notes.</p> <p>The rights of the Issuer under the Underlying Loan are subject to an intercreditor deed dated 18 October 2016 between, amongst others, the Originator (as "Original Facility A Lender"), Morgan Stanley Principal Funding, Inc. (as "Original Facility B Lender") and the Facility Agent and Security Agent (the "Intercreditor Deed" (to which the Issuer will accede as a Facility A Lender (as defined in the Intercreditor Deed) on or before the Closing Date)).</p> <p>See the sections entitled "<i>THE UNDERLYING LOAN AND RELATED SECURITY</i>", "<i>DESCRIPTION OF THE PORTFOLIO</i>" and "<i>SALE OF ASSETS</i>" for more details.</p>
Redemption Provisions	Information on any optional and mandatory redemption of the Notes is summarised on page 6 " <i>OVERVIEW OF THE TRANSACTION – OVERVIEW OF THE KEY TERMS OF THE NOTES</i> " and set out in full in Condition 6 (<i>Redemption and Cancellation</i>).
Credit Ratings	Ratings have not been requested or assigned to the Notes as at the Closing Date.

Before making any decision to invest in the Notes, prospective Noteholders should pay particular attention to the section entitled "RISK FACTORS" in this Offering Circular, starting on page 23.

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

The date of this Offering Circular is 30 March 2017

Listing	<p>This Offering Circular ("Offering Circular") comprises a prospectus (the "Prospectus"), for the purpose of Directive 2003/71/EC (as amended by the Commission Powers (Prospectus) Directive 2008/11 EC and the Amending Directive 2010/73 EU) (the "Prospectus Directive"). References throughout this document to this "Offering Circular" shall be taken to read "Prospectus" for such purpose. The Prospectus has been approved by the Central Bank of Ireland (the "Central Bank of Ireland") as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the "Irish Stock Exchange") for the Notes to be admitted to the Official List (the "Official List") and trading on its regulated market (the "Main Securities Market"). The Main Securities Market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC.</p>
Obligations	<p>The Notes will be limited recourse obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. The Notes will not be obligations of the Arranger, the Lead Manager, the Originator, the Seller, any of their affiliates or any other party named in this Offering Circular.</p>
Retention Undertaking	<p>The Issuer is of the opinion that Article 405 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, known as the Capital Requirements Regulation ("CRR") and Article 51 of Regulation (EU) 231/2013 (the "AIFM Regulation") do not apply to the issue of the Notes. In addition the Issuer is of the view that the risk retention requirements provided for under Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance, including any implementing and/or delegated regulation, technical standards and guidance related thereto together with any technical standards and guidelines published in relation thereto, as may be amended, replaced or supplemented from time to time (the Solvency II Directive) will not apply to the issuance of the Notes.</p> <p>The Issuer is of the opinion that Section 15G of the U.S. Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder (the "U.S. Credit Risk Retention Requirements") do apply to the Notes. Accordingly, Morgan Stanley Principal Funding Inc. (acting as sponsor) (the "Retention Holder") will ensure that it (or a majority-owned affiliate as defined under the U.S. Credit Risk Retention Requirements) retains an economic interest in the credit risk of the securitised assets of not less than 5 per cent.</p> <p>See the sections entitled "<i>REGULATORY DISCLOSURE</i>" and "<i>RISK FACTORS - C. LEGAL AND REGULATORY REQUIREMENTS - Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes</i>" of this Offering Circular for more details.</p>

Credit Enhancement	No structural credit support will be provided for the Notes. Payments to be made under the Underlying Loan will rank <i>pari passu</i> with other payments to be made under the Term Facility A Loan. In connection with the Term Facility A Loan, a loan to value ratio will have to be maintained by the Underlying Borrower in accordance with the Senior Facilities Agreement, the details of which are set out in the section entitled <i>THE UNDERLYING LOAN AND RELATED SECURITY</i> ".
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THE NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS AND THE ISSUER HAS NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 (THE "**INVESTMENT COMPANY ACT**") IN RELIANCE ON THE EXCLUSION PROVIDED BY SECTION 3(c)(5)(C) OF THAT ACT. THE NOTES OFFERED HEREBY ARE BEING OFFERED AND SOLD ONLY TO PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S ("**REGULATION S**") IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

THE "RISK FACTORS" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.

If any withholding or deduction for or on account of tax is applicable to payments of interest on and/or repayments of principal of the Notes, such payments and/or repayments will be made subject to such withholding or deduction, without the Issuer being obliged to pay any additional amounts as a consequence.

The Notes will be represented by a global note in registered form (the "**Global Note**") and will be deposited with, and registered in the name of a nominee for the common depositary (the "**Common Depositary**") for Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium, as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, *société anonyme*, 42 Avenue J.F. Kennedy, L-1855 Luxembourg ("**Clearstream, Luxembourg**") on or about the Closing Date. Ownership interests in the Global Note will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective Participants. The Global Note will be exchangeable for Definitive Notes in registered form only in certain limited circumstances as set out in this Offering Circular.

IMPORTANT NOTICE

The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Originator, the Seller, the Note Trustee, the Issuer Security Trustee, the Lead Manager, the Arranger or any other Issuer Related Party that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Originator, the Seller, the Note Trustee, the Issuer Security Trustee, the Arranger, the Lead Manager or any other Issuer Related Party which would permit a public offering of the Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Lead Manager has represented that all offers and sales by it will be made on such terms. Persons into whose possession this Offering Circular comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions.

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

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

U.S. Bank Trustees Limited, Elavon Financial Services DAC, UK Branch and Elavon Financial Services DAC accept joint and several responsibility for the information contained in the section of this Offering Circular entitled "*DESCRIPTION OF THE NOTE TRUSTEE, THE ISSUER SECURITY TRUSTEE, THE CASH MANAGER, THE OPERATING BANK, THE AGENT BANK, THE PRINCIPAL PAYING AGENT AND REGISTRAR*" at page 55 (insofar as the same relates to each of them respectively). To the best of the knowledge and belief of U.S. Bank Trustees Limited, Elavon Financial Services DAC, UK Branch and Elavon Financial Services DAC (each having taken all reasonable care to ensure that such is the case), the information contained in the section of this Offering Circular entitled "*DESCRIPTION OF THE NOTE TRUSTEE, THE ISSUER SECURITY TRUSTEE, THE CASH MANAGER, THE OPERATING BANK, THE AGENT BANK, THE PRINCIPAL PAYING AGENT AND REGISTRAR*" at page 55 (insofar as the same relates to each of them respectively) is in accordance with the facts and does not omit anything likely to affect the import of such information.

This information relating to U.S. Bank Trustees Limited, Elavon Financial Services DAC,, UK Branch and Elavon Financial Services DAC, contained in the section of this Offering Circular entitled "*DESCRIPTION OF THE NOTE TRUSTEE, THE ISSUER SECURITY TRUSTEE, THE CASH MANAGER, THE OPERATING BANK, THE AGENT BANK, THE PRINCIPAL PAYING AGENT AND REGISTRAR*" at page 55 has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by U.S. Bank Trustees Limited, Elavon Financial Services DAC, UK Branch and Elavon Financial Services DAC no facts have been omitted which would render the reproduced information inaccurate or misleading.

This information relating to the Underlying Borrowers contained in the section of this Offering Circular entitled "*THE UNDERLYING BORROWERS*" at page 56 has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Underlying Borrowers no facts have been omitted which would render the reproduced information inaccurate or misleading.

Savills ("**Savills**") accepts responsibility for the Initial Appraisal. To the best of Savills' knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the Initial Appraisal is in accordance with the facts and does not omit anything likely to affect the accuracy of such information as at the date of the valuation.

No person is or has been authorised in connection with the issue and sale of the Notes to give any information or to make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Originator, the Seller, the Arranger, the Lead Manager or any associated body of the Originator, the Seller, the Arranger or the Lead Manager or any other Issuer Related Party or any of their respective affiliates or shareholders or the shareholders of the Issuer. Neither the delivery of this Offering Circular nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or create any implication that there has been any change in the information contained herein since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

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

The Notes and interest thereon will not be obligations or responsibilities of any person other than the Issuer, which obligations will be limited recourse obligations in accordance with the terms thereof. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, the Originator, the Seller, the Arranger, the Lead Manager or any associated body of the Originator, the Seller, the Arranger, the Lead Manager or any other Issuer Related Party or any of their respective affiliates or shareholders or the shareholders of the Issuer and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

OFFEREE ACKNOWLEDGEMENTS

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

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

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

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

FORWARD-LOOKING STATEMENTS

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Offering Circular, including with respect to assumptions on prepayment and certain other characteristics of the Underlying Loan and reflect significant assumptions and subjective judgments by the Issuer that may or may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "projects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and changes in governmental regulations, fiscal policy, planning or tax laws in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Lead Manager has not attempted to verify any such statements, nor does it make any representation, express or implied, with respect thereto.

Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. Neither the Issuer nor the Lead Manager assumes any obligation to update these forward-

looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

U.S. CREDIT RISK RETENTION REQUIREMENTS

Morgan Stanley Principal Funding Inc. (acting as sponsor) (the "**Retention Holder**") is required under Section 15G of the U.S. Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder (the "**U.S. Credit Risk Retention Requirements**"), to ensure that it (or a majority-owned affiliate as defined under the U.S. Credit Risk Retention Requirements) retains an economic interest in the credit risk of the securitised assets of not less than 5 per cent..

The Retention Holder intends to satisfy the U.S. Credit Risk Retention Requirements by acquiring the Retained Interest on the Closing Date and retaining the Retained Interest in accordance with the U.S. Credit Risk Retention Requirements.

The Retained Interest entitles the Retention Holder to 5 per cent. of the principal and interest and any other amounts paid on the Notes. The Retained Interest will rank *pari passu* with the Notes with respect to its entitlement of income and principal and any other proceeds received by the Issuer from the Underlying Loan. If the Notes incur losses, the Retention Holder will bear 5 per cent. of those losses.

The Retention Holder will retain the Retained Interest and comply with the restrictions on sale, transfer, hedging and pledging of the Retained Interest in accordance with the U.S. Credit Risk Retention Requirements until the latest to occur of (x) the date on which the Principal Amount Outstanding of the Underlying Loan is less than or equal to 33 per cent. of the initial aggregate principal balance of the Underlying Loan, (y) the date on which the aggregate principal amount of the Notes is less than or equal to 33 per cent. of the initial aggregate principal amount of the Notes and (z) two years after the Closing Date.

In accordance with the U.S. Risk Retention Rules, if the amount of the Retained Interest retained by the Retention Holder on the Closing Date is materially different from the amount described above, the Retention Holder will disclose such difference a reasonable time after the Closing Date.

REFERENCES TO CURRENCIES

All references in this Offering Circular to "**Sterling**" or "**pounds**", or "**£**" are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland (the "**UK**" or the "**United Kingdom**") and references to "**euro**" or "**Euro**" are to the currency introduced at the commencement of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended by the Treaty of Amsterdam.

Websites referred to in this Offering Circular do not form part of the Offering Circular.

INTERPRETATION

The language of this Offering Circular is English.

An index of capitalised terms used in this Offering Circular is set in the section entitled "**INDEX OF DEFINED TERMS**" on page 247.

GENERAL NOTICE TO INVESTORS

Other than the approval by the Central Bank of Ireland of this Offering Circular as a "prospectus" in accordance with the requirements of the Prospectus Directive and the relevant implementing measures in Ireland, no action has been or will be taken to permit a public offering of the Notes or the distribution of

this Offering Circular in any jurisdiction where action for that purpose is required. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular (or any part hereof) comes are required by the Issuer and the Lead Manager to inform themselves about, and to observe, any such restrictions. Neither this Offering Circular nor any part of it constitutes an offer of, or an invitation by or on behalf of the Issuer or the Lead Manager to subscribe for or purchase any of the Notes and neither this Offering Circular, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

For a further description of certain restrictions on offers and sales of the Notes and distribution of this Offering Circular (or any part hereof) see section "Subscription and Sale" at page 229.

REGULATORY DISCLOSURE

The Issuer is of the opinion that the transaction described in this Offering Circular in connection with the issuance of the Notes (the "**Transaction**") is not a "securitisation" for the purposes of Article 405 of the CRR, Article 51 of Regulation No. 231/2013 (the "**AIFM Regulation**") or the Solvency II Directive.

Article 4(1)(61) of the CRR defines a "securitisation" as a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranching, having both of the following characteristics: (a) payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; and (b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme.

Pursuant to Article 4(1)(61) of the CRR a transaction will only be a "securitisation" if the credit risk associated with an exposure or pool of exposures is tranching. In the context of the Transaction principal payments on the Underlying Loan received by or on behalf of the Issuer before enforcement will be passed through to make payments of principal and (after the delivery of a Note Acceleration Notice) principal and interest on the Notes. The Transaction does not involve the issuance of a separate class of notes which are subordinated to the Notes in right of any payments. Therefore, an investment in the Notes will not reflect a different degree of credit risk of the exposure to the Underlying Loan.

Although the Transaction has the characteristic that the "payments in the transaction or scheme are dependent upon the performance of the exposure", there is an absence of credit risk tranching. No subordinated note will be issued which can absorb principal losses in order to permit ongoing payments to be made to the Notes.

Notwithstanding the foregoing analysis, each prospective Noteholder is responsible for determining its own regulatory position and independently assessing whether or not Article 405 of the CRR, Article 51 of the AIFM Regulation or the Solvency II Directive (as the case may be) will be applied to its exposure to the Notes. Investors subject to the CRR, the AIFM Regulation or the Solvency II Directive should consult their regulator should they require guidance in relation to the regulatory capital treatment that their regulator would apply to an investment in the Notes. Article 405 of the CRR, Article 51 of the AIFM Regulation, the Solvency II Directive and/or any further change thereto, regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and have a negative impact on the price and liquidity of the Notes in the secondary market.

None of the Issuer, the Originator, the Seller, the Note Trustee, the Issuer Security Trustee, the Lead Manager, the Arranger, the Issuer Corporate Services Provider nor any other Issuer Related Party makes any representation that the information described above or in this Offering Circular is sufficient in all circumstances for such purposes. See the section entitled "**RISK FACTORS – C. LEGAL AND REGULATORY REQUIREMENTS** – *Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*" of this Offering Circular.

The address of the Originator is 201 South Main Street, 5th Floor, Salt Lake City, Utah 84111-2215, United States and one of the significant business activities of the Originator is commercial lending.

INITIAL APPRAISAL DISCLAIMER

The valuations in the Initial Appraisal have been used for the purposes of this transaction and throughout this Offering Circular. Please see Appendix 1 (*Initial Appraisal*) for the Initial Appraisal.

Savills does not have any material interest in the Issuer.

Savills (a) has given and has not withdrawn its written consent both to the inclusion in this Offering Circular of the Initial Appraisal and to references to the Initial Appraisal in the form and context in which they appear, and (b) has authorised and accepts responsibility for the Initial Appraisal. With the exception of the Initial Appraisal, Savills does not accept any liability in relation to the information contained in the Offering Circular or any other information provided by the Issuer or any other party in connection with the issue of the Notes.

Prospective Noteholders should be aware that the valuation of the Properties set out in the Initial Appraisal is 1 May 2016 and was carried out prior to the date of this Offering Circular. Savills has not been requested to update or revise the valuation of any of the Properties for the purposes of the Initial Appraisal, nor will it be asked to do so prior to the issue of the Notes. Accordingly, the information included in the Initial Appraisal may not reflect the current physical, economic, competitive, market or other conditions with respect to the Properties. None of the Underlying Borrowers, the Arranger and the Lead Manager, the Originator, the Seller, the Cash Manager, the Note Trustee, the Issuer Security Trustee, the Senior Security Trustee, the Facility Agent, the Issuer Corporate Services Provider, the Principal Paying Agent, the Agent Bank, the Account Bank, the Registrar or any other Issuer Related Party or any other party referred to in this Offering Circular are responsible for the information contained in the Initial Appraisal.

The information contained in the Initial Appraisal must be considered together with all of the information contained elsewhere in this Offering Circular, including, without limitation, the statements made in the section entitled "RISK FACTORS – F. *CONSIDERATIONS RELATING TO THE UNDERLYING LOAN AND THE UNDERLYING LOAN SECURITY – Valuations*". All of the information contained in the Initial Appraisal is subject to the same limitations, qualifications and restrictions contained in the other portions of this Offering Circular. Prospective Noteholders are strongly urged to read this Offering Circular in its entirety prior to accessing the Initial Appraisal.

The Originator and the Facility Agent engaged Savills (a member of the Royal Institution of Chartered Surveyors ("**RICS**")) to produce an appraisal of the Properties dated 9 May 2016 with an effective valuation date of 1 May 2016 in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards 2014 Global & UK edition including the International Valuation Standards A copy of such appraisal of the Properties is set out in Appendix 1 (*Initial Appraisal*) of this Offering Circular (the "**Initial Appraisal**").

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OVERVIEW OF THE TRANSACTION

TRANSACTION OVERVIEW DIAGRAM

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

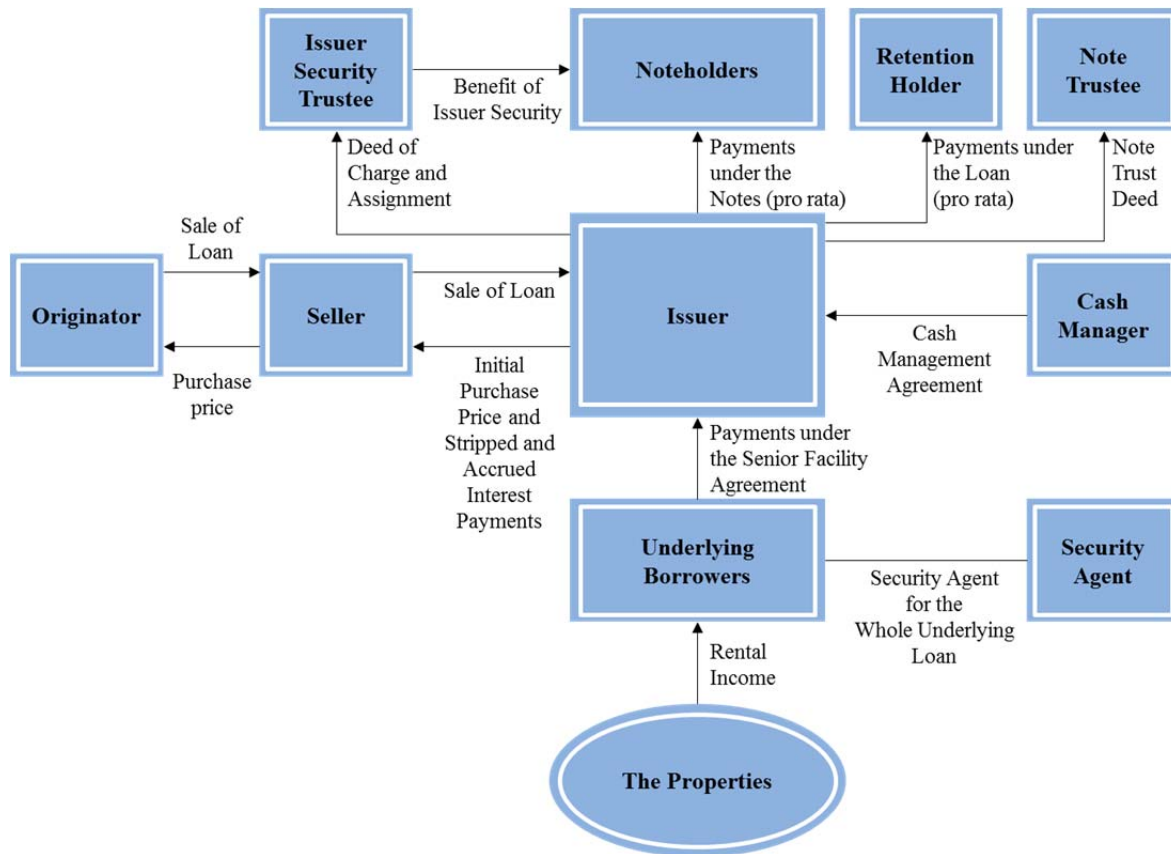
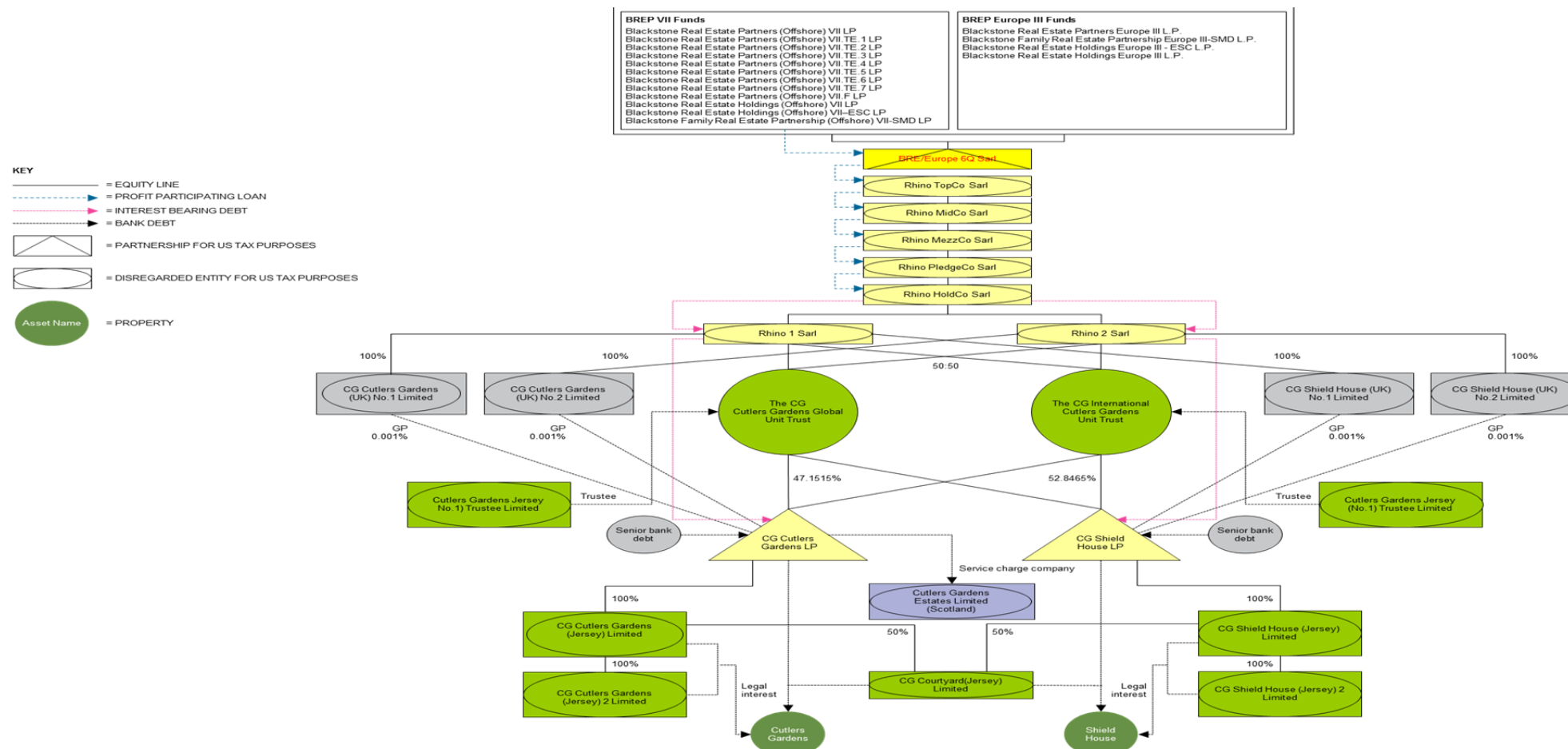


DIAGRAM OF THE UNDERLYING BORROWER'S GROUP STRUCTURE

The diagram on this page sets out the corporate structure of the Underlying Borrowers and certain of its affiliates. It is not intended to be an exhaustive description or depiction of the Underlying Borrowers' group. Prospective Noteholders in the Notes should note that only the Properties will form the security for the Underlying Loan and ultimately, those Notes. None of the entities depicted on this diagram have any obligations under the Notes. Prospective Noteholders should review the detailed information set out elsewhere in this Offering Circular for a description of the transaction structure and relevant cashflows prior to making any investment decision.



OVERVIEW OF THE TRANSACTION PARTIES

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

The Issuer and its Related Parties on the Closing Date

Party	Name	Address	Document under which Appointed/Further Information
"Issuer"	Deer Funding UK PLC	35 Great St Helen's London EC3A 6AP	N/A. See " <i>THE ISSUER</i> " for further information.
"Issuer Holdco"	Deer Funding UK Holdings Limited	35 Great St Helen's London EC3A 6AP	N/A. See " <i>THE ISSUER HOLDCO</i> " for further information.
"Cash Manager" and "Operating Bank"	Elavon Financial Services DAC, UK Branch	125 Old Broad Street, London EC2N 1AR, United Kingdom	Cash Manager and Operating Bank appointed pursuant to a cash management agreement to be entered into on the Closing Date between, among others, the Cash Manager, the Operating Bank, the Issuer Security Trustee and the Issuer (the " Cash Management Agreement "). See " <i>CASH MANAGEMENT – Cash Manager</i> " for further information.
"Agent Bank" and "Principal Paying Agent"	Elavon Financial Services DAC, UK Branch	125 Old Broad Street, London EC2N 1AR, United Kingdom	Principal Paying Agent (together with any other paying agent appointed pursuant to the Agency Agreement, the " Paying Agents ") and Agent Bank appointed pursuant to an agency agreement to be entered into on the Closing Date between, among others, the Paying Agents, the Agent Bank and the Issuer (the " Agency Agreement "). See " <i>TERMS AND CONDITIONS OF THE</i> "

Party	Name	Address	Document under which Appointed/Further Information
			<i>NOTES</i> " for further information.
"Registrar"	Elavon Financial Services DAC	2nd Floor, Block E Cherrywood Business Park, Loughlinstown, Co. Dublin	Registrar appointed pursuant to the Agency Agreement in its capacity as registrar in relation to the Notes. See <i>"DESCRIPTION OF THE NOTES"</i> for further details.
"Note Trustee"	U.S. Bank Trustees Limited	125 Old Broad Street, London EC2N 1AR, United Kingdom	Note Trustee will act as trustee for the holders of the Notes pursuant to the Note Trust Deed between the Note Trustee, the Issuer Security Trustee and the Issuer. See <i>"Description of Note Trust Deed"</i> for further information.
"Issuer Security Trustee"	U.S. Bank Trustees Limited	125 Old Broad Street, London EC2N 1AR, United Kingdom	Issuer Security Trustee will act as security trustee and hold on trust for itself and the other Issuer Secured Creditors the security granted by the Issuer in favour of the Issuer Secured Creditors pursuant to the Issuer Security Documents. See <i>"TERMS AND CONDITIONS OF THE NOTES"</i> for further information.
"Issuer Corporate Services Provider"	Intertrust Management Limited	35 Great St. Helen's London EC3A 6AP	Issuer Corporate Services Provider will act as corporate services provider to the Issuer pursuant to a corporate services agreement to be entered into on the Closing Date between, among others, the Issuer, the Issuer Holdco and the Issuer Corporate

Party	Name	Address	Document under which Appointed/Further Information
			Services Provider and entered into on or prior to the Closing Date (the " Issuer Corporate Services Agreement "). See " <i>THE ISSUER</i> " for further information.
"Share Trustee"	Intertrust Corporate Services Limited	35 Great St. Helen's London EC3A 6AP	The Share Trustee will hold the issued share capital of the Issuer Holdco as trustee under the terms of a discretionary trust for the benefit of one or more discretionary objects.
"Seller"	Morgan Stanley Principal Funding, Inc.	1585 Broadway, New York, NY 10036	The Seller has acquired the Underlying Loan from the Originator and will transfer and assign the Underlying Loan to the Issuer. See " <i>SALE OF ASSETS</i> " for further information.
"Originator"	Morgan Stanley Bank, N.A.	201 South Main Street, 5th Floor, Salt Lake City, UT 84111-2215, United States	The Originator has originated the Term Facility A Loan and will transfer and assign the Underlying Loan to the Seller. See " <i>THE ORIGINATION AND DUE DILIGENCE PROCESS</i> " and " <i>SALE OF ASSETS</i> " for further information.
"Facility Agent"	Hatfield Philips Agency Services Limited	34 th Floor, 25 Canada Square, Canary Wharf, London E14 5LB	Facility Agent acts as facility agent under the Senior Facilities Agreement. See " <i>THE UNDERLYING LOAN AND RELATED SECURITY</i> " for further information.
"Security Agent"	Hatfield Philips Agency Services	34 th Floor, 25 Canada Square, Canary	Security Agent acts as security agent of the

Party	Name	Address	Document under which Appointed/Further Information
	Limited	Wharf, London E14 5LB	finance parties under the Senior Facilities Agreement (the " Finance Parties ") and will hold, manage and, upon instructions of the relevant Finance Parties, enforce the Related Security in accordance with the Finance Documents.
"Underlying Borrowers"	CG Cutlers Gardens Limited Partnership (acting by its general partners CG Cutlers Gardens (UK) No.1 Limited and CG Cutlers Gardens (UK) No.2 Limited) and CG Shield House Limited Partnership (acting by its general partners CG Shield House (UK) No.1 Limited and CG Shield House (UK) No.2 Limited).	Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD	The Underlying Borrowers are the borrowers in respect of the Underlying Loan advanced pursuant to the Senior Facilities Agreement. The repayment of interest and principal in respect of the Underlying Loan by the Underlying Borrowers will fund the Issuer for payments of interest and principal on the Notes.

Other Parties

Party	Name	Address	Document under which Appointed/Further Information
"Listing Agent"	Arthur Cox Listing Services Limited	Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland	N/A
"Listing Authority and Stock Exchange"	Irish Stock Exchange plc	The Irish Stock Exchange 28 Anglesea Street Dublin 2 Ireland	N/A
"Clearstream, Luxembourg"	Clearstream	42 Avenue JF Kennedy L-1855 Luxembourg	N/A
"Euroclear"	Euroclear	1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium	N/A
"Clearing Systems"	Clearstream and Euroclear	N/A	N/A

Each of the Note Trustee, the Issuer Security Trustee, any Appointee, the Cash Manager, the Operating Bank, the Agent Bank, the Principal Paying Agent, the Registrar, the Issuer Corporate Services Provider and any other Paying Agent are together referred to in this Offering Circular as the **"Issuer Related Parties"**.

Summary of the Terms and Conditions of the Notes

Please refer to the section entitled "*TERMS AND CONDITIONS OF THE NOTES*" for further detail in respect of the terms of the Notes.

OVERVIEW OF THE KEY TERMS OF THE NOTES

Currency	Sterling
Initial Principal Amount	£110,544,000 ⁽¹⁾
Interest Reference Rate	three-month LIBOR (or, in the case of the first Interest Period, LIBOR is 0.358060%)
Margin⁽¹⁾	2.45 per cent.
Distribution Dates	On the Business Day immediately following 15 February, May, August and November in each year, and on the Expected Maturity Date and on the Final Maturity Date.

⁽¹⁾ On the Closing Date, Morgan Stanley Principal Funding Inc. (acting as sponsor) will advance a £5,818,272.50 loan (the "**Loan**" and "**Retained Interest**") to the Issuer (as Borrower) which will rank *pari passu* with the Notes with respect to its entitlement of income and principal

proceeds received by the Issuer from the Underlying Loan. See "U.S. Credit Risk Retention Requirements" and "Subscription and Sale".

- (2) The Notes will bear interest at three-month LIBOR plus the Margin specified above.

Summary of Certain Additional Features of the Notes

Credit Enhancement	No structural credit support will be provided for the Notes. Payments to be made under the Underlying Loan will rank <i>pari passu</i> with other payments to be made under the Term Facility A Loan. In connection with the Term Facility A Loan, a loan to value ratio will have to be maintained by the Underlying Borrowers in accordance with the Senior Facilities Agreement.
Issue Price	100%
Interest Accrual Method	Actual/365
Interest Determination Date	First day of an Interest Period
Business Day Convention	Modified Following
First Distribution Date	16 May 2017
First Interest Period	From the Closing Date ending on the first Loan Interest Payment Date (as defined in the Intercreditor Deed) (being 15 May 2017)
Redemption Profile	Pass through
Other Early Redemption in full Events	Tax event or reduction in the amount payable by the Underlying Borrowers in respect of the Issuer Assets ⁽¹⁾
Final Maturity Date	Either: (i) 16 May 2019; or (ii) if, in accordance with the terms of the Senior Facilities Agreement, the final repayment date of the Underlying Loan is extended to 15 May 2020, 18 May 2020; or (iii) if, in accordance with the terms of the Senior Facilities Agreement, the final repayment date of the Underlying Loan is extended to 15 May 2021, 18 May 2021.
Form of the Notes	Global note in registered form ⁽²⁾

(1) See Condition 6(c) (*Optional Redemption for Tax or Other Reasons*) for further details.

(2) Notes in definitive form will be issued in limited circumstances.

Application for Listing	Ireland
ISIN	XS1578099464
Common Code	157809946
Clearance/Settlement	Euroclear / Clearstream, Luxembourg
Minimum Denomination	£1,000,000 with integral multiples of £1 in excess thereof.
Commission	nil
Ranking	The Notes constitute direct, limited recourse and secured obligations of the Issuer and the Notes will rank <i>pro rata</i> and <i>pari passu</i> without any preference or priority among themselves as to payments of interest and principal at all times.
Form	The Notes will be represented by a global note in registered form (a " Global Note ") without coupons or talons attached and which will represent the aggregate Principal Amount Outstanding of the Notes. On the Closing Date, the Global Note will be deposited on behalf of the subscribers of the Notes with and registered in the name of a nominee for the common depository (the " Common Depository ") for Clearstream Banking, <i>société anonyme</i> (" Clearstream, Luxembourg ") and Euroclear Bank S.A./N.V. (" Euroclear "). The Global Note will be exchangeable for notes in registered definitive form (" Definitive Notes ") of the Notes only in certain limited circumstances.
Security	<p>The Notes are secured by the Issuer Security in favour of the Issuer Security Trustee (for itself and on trust for the other Issuer Secured Creditors), the Noteholders, the Lender, each of the Issuer Related Parties, and any other person acceding to the Deed of Charge and Assignment as a beneficiary from time to time (the "Issuer Secured Creditors") as set out in the Deed of Charge and Assignment described in Condition 3(b) (<i>Security and Priority of Payments</i>). The security granted by the Issuer includes:</p> <ul style="list-style-type: none"> (a) a first fixed charge over the Issuer's rights, title, interest and benefit, present and future in, to and under the Underlying Loan and the Related Security; (b) an assignment by way of first-ranking security of the Issuer's rights, title, interest and benefit, present and future, in, to and under, among other things, the Cash Management Agreement, the Agency Agreement, the Transaction Documents, the Note Trust Deed, the Issuer Corporate Services Agreement, the Loan Sale Agreement and all other Issuer Transaction Documents and other contracts, agreements, deeds and documents present and future, to which the Issuer is or may become a party (other than any Issuer Security Document); (c) a first fixed charge over the Issuer's rights, title, interest and benefit, present and future in, to and under the Issuer Transaction Account and any other bank account in England and Wales in

which the Issuer may at any time acquire any right, title, interest or benefit or otherwise place and hold its cash, and in the funds from time to time standing to the credit of such accounts and in the debts represented thereby excluding the amounts recorded in the Issuer Profit Ledger; and

- (d) a first-ranking floating charge governed by English law over the whole of the undertaking and assets of the Issuer, present and future (other than the fixed charges and assignments set out in paragraphs (a) to (c) above).

Some of the other Issuer Secured Creditors rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds as set out in the Post-Enforcement Priority of Payments. The Retention Holder will rank *pari passu* with the Noteholders in respect of the allocation of proceeds as set out in the Issuer Priority of Payments.

Interest Provisions

Interest on the Notes will be payable quarterly in arrear in Sterling on the Business Day immediately following each Underlying Loan Interest Payment Date occurring up to (and including) the Final Maturity Date (or, if such day is not a Business Day, the next following Business Day unless such Business Day falls in the next following calendar month, in which event, the immediately preceding Business Day) (each such day being, a "**Distribution Date**"). The first Distribution Date will be the Distribution Date falling in May 2017.

"Underlying Loan Interest Payment Date" means, in relation to the Underlying Loan, 15 February, May, August and November in each year occurring up to (and including) the Final Repayment Date (or, if any such day is not a Business Day, the next following Business Day unless such Business Day falls in the next following calendar month, in which event, the immediately preceding Business Day).

Interest on the Notes is payable by reference to successive interest periods (each, an "**Interest Period**") which shall correspond to each successive Underlying Loan Interest Period. The first Interest Period will commence on the Closing Date and end on the Underlying Loan Interest Payment Date in May 2017. Each successive Interest Period will start on the day after the last day of the immediately preceding Underlying Loan Interest Period for the Term Facility A Loan and end on the next Underlying Loan Interest Payment Date except that, where an Interest Period would overrun the Expected Maturity Date or the Final Maturity Date, that Interest Period shall be shortened so that it ends on the Expected Maturity Date or the Final Maturity Date, as the case may be.

The rate of interest applicable to each Note for each Interest Period will be calculated and set on, in respect of the first Interest Period, the Closing Date and, in respect of all subsequent Interest Periods, the first day of each such Interest Period (each, an "**Interest Rate Determination Date**").

The interest rate applicable to the Notes from time to time will be LIBOR for three-month Sterling deposits (or, in the case of the first Interest Period, LIBOR is 0.358060%), plus the Margin and shall be determined by the Agent Bank. The LIBOR component of the interest rate will be equal to the Term Facility A Loan rate of LIBOR determined under the

Senior Facilities Agreement. The Facility Agent shall notify the Agent Bank of the then applicable Term Facility A Loan rate of LIBOR. The **"Margin"** in respect of the Notes will be 2.45 per cent. per annum.

If the current Term Facility A Loan rate of LIBOR is not notified to the Agent Bank, the Agent Bank shall determine the LIBOR component of the Rate of Interest in accordance with Condition 5(c) (*Rate of Interest*).

Default Interest

Any payments of Default Interest received by the Issuer corresponding to the Notes Relevant Proportion of its interest in the Underlying Loan shall be allocated by the Cash Manager on the immediately following Distribution Date to the Notes and paid pursuant to Condition 5(d) (*Default Interest*) and in accordance with the applicable Issuer Priority of Payments.

"Default Interest" means, with respect to any amount an Obligor has failed to pay under the Finance Documents, the interest accrued and payable by an Obligor to the Facility Agent on any such overdue amount as calculated in accordance with the default interest provisions of the Senior Facilities Agreement.

Gross-up

None of the Issuer or any Paying Agent will be obliged to gross-up if there is any withholding or deduction in respect of the Notes on account of taxes. See section entitled *"RISK FACTORS – C. LEGAL AND REGULATORY REQUIREMENTS – Withholding Tax under the Notes"*.

Redemption

Unless previously redeemed in full, the Notes are expected to mature on the Distribution Date falling on 16 May 2019 (the **"Expected Maturity Date"**).

However, the **"Final Maturity Date"** for the Notes shall be the later of:

- (i) the Expected Maturity Date; or
- (ii) only if, in accordance with the terms of the Senior Facilities Agreement, the final repayment date of the Underlying Loan is extended to 15 May 2020, the Distribution Date falling in May 2020 (the **"First Extended Maturity Date"**) or
- (iii) only if, in accordance with the terms of the Senior Facilities Agreement, the final repayment date of the Underlying Loan is extended to 15 May 2021, the Distribution Date falling in May 2021 (the **"Second Extended Maturity Date"**).

Before the Final Maturity Date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 6 (*Redemption and Cancellation*) of the terms and conditions of the Notes (the **"Conditions"**)).

The Notes may be redeemed in whole or in part (as applicable) in connection with the following optional or mandatory redemption events:

- a final redemption in whole at their Principal Amount Outstanding together with accrued interest on the Final Maturity Date, as more fully described in Condition 6 (*Redemption and Cancellation*);
- mandatory early redemption in full or, as the case may be, in part

on each Distribution Date, or on an Intra-Loan Interest Payment Date, as applicable, by applying an amount equal to the Notes Relevant Proportion of any Principal Receipts to redeem the Notes as fully described in Condition 6(b) (*Mandatory Redemption from Principal Receipts*); and

- optional redemption in full exercisable by the Issuer on the Distribution Date on which the Issuer satisfies the Note Trustee: (A) that by virtue of a change in tax law from that in effect on the Closing Date, on the next Distribution Date the Issuer will be obliged to make any withholding or deduction from payments of principal or interest in respect of the Notes on account of any present or future taxes; or (B) that any amount payable by the Underlying Borrowers in respect of the Issuer Assets is reduced or ceases to be receivable by the Issuer during the Interest Period preceding the next Distribution Date; as fully described in Condition 6(c) (*Optional Redemption for Tax or Other Reasons*).

Senior Purchase Option

The Intercreditor Deed provides that upon (i) the occurrence of any Material Default (as defined in the Intercreditor Deed) which is continuing, (ii) the Instructing Group (as defined in the Intercreditor Deed) providing notice to the Facility Agent or the Security Agent that it intends to take Enforcement Action (as defined in the Intercreditor Deed) or (iii) the taking of any Enforcement Action (each a "**Purchase Event**"), the Facility B Lenders (as defined in the Intercreditor Deed) may elect to purchase the Facility A Debt by serving a notice (a "**Purchase Notice**") in writing on the Facility Agent within 10 Business Days of receiving notice from the Facility Agent that a Purchase Event has occurred.

Any purchase of any Facility A Debt will take effect by way of a transfer under the Senior Facilities Agreement against the payment in full to the Facility Agent of an amount (determined by the Facility Agent) equal to the aggregate of:

- (i) the Facility A Debt outstanding and / or accrued as at the date the amount is received (excluding any fees payable pursuant to clause 13.1 (*Prepayment Fees*) of the Senior Facilities Agreement); plus
- (ii) any amount certified by a relevant Lender as necessary to compensate it for any breakage or funding costs actually incurred by it as a result of the transfer and any reasonable administrative or other costs (including, without limitation, any legal costs) incurred in connection with the transfer,

(the "**Facility A Debt Purchase Amount**"). Such a transfer will result in a mandatory early redemption of the Notes.

Note Events of Default

As fully set out in Condition 10 (*Note Events of Default*) which broadly includes (where relevant, subject to the applicable grace period):

- either, in respect of the Notes, the Issuer defaults: (i) in the payment of interest; or (ii) in the payment of principal, on a Distribution Date or any date on which the Notes are required to be redeemed in full, in each case, when due and payable in accordance with the Conditions;

- default in the performance or observance of any other obligation binding upon the Issuer, under the Notes or under the Issuer Transaction Documents;
- the Issuer ceases to carry on business or a substantial part of its business or is deemed unable to pay its debts as and when they fall due;
- an order is made or an effective resolution is passed for the winding-up of the Issuer; or
- proceedings are initiated against the Issuer under any applicable liquidation, insolvency, examinership, composition, reorganisation or other similar laws.

Limited Recourse

The Notes are limited recourse obligations of the Issuer, and, if not repaid in full following the Final Maturity Date, or realisation or enforcement of all of the Issuer Security, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 3(b) (*Security and Priority of Payments*).

Non-Petition

The Noteholders will not be entitled to take any steps (otherwise than in accordance with the Note Trust Deed and the Conditions):

- to enforce the Issuer Security other than when expressly permitted to do so under Condition 10 (*Note Events of Default*);
- to take or join in any steps against the Issuer to obtain payment of any amount due from the Issuer to it; or
- to take any steps which would result in any of the Issuer Priority of Payments not being observed.

Governing Law

English law.

Rights of Noteholders and Relationship with Other Issuer Secured Creditors

Please refer to sections entitled "*TERMS AND CONDITIONS OF THE NOTES*" for further details in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Issuer Secured Creditors.

Principal Amount Outstanding

The "**Principal Amount Outstanding**" of a Note on any date will be its face amount less the aggregate amount of all principal repayments or prepayments made in respect of that Note since the Closing Date.

Noteholders Meeting Provisions

	<i>Initial meeting</i>	<i>Adjourned meeting</i>
Notice Period:	10 days	5 days
Quorum:	Not less than 50.1 per cent. of the Principal Amount Outstanding of the Notes (other	One or more persons holding or representing not less than 50.1 per cent. of the Principal

	than a Basic Terms Modification, which requires not less than 75 per cent. of the Principal Amount Outstanding of the Notes).	Amount Outstanding of the Notes provided that, with respect to a Basic Terms Modification, such Noteholders must also represent not less than 75 per cent. of the Principal Amount Outstanding of the Notes.
Required Majority:	<p>Not less than 75 per cent. of votes cast for matters requiring Extraordinary Resolution.</p> <p>Not less than 50.1 per cent. of votes cast for matters requiring Ordinary Resolution.</p>	<p>Not less than 75 per cent. of votes cast for matters requiring Extraordinary Resolution.</p> <p>Not less than 50.1 per cent. of votes cast for matters requiring Ordinary Resolution.</p>
Convening a meeting	The Issuer is obliged to convene a meeting if requested in writing by Noteholders representing not less than 10 per cent. of the Principal Amount Outstanding of the Notes.	
Written Resolutions	<p>A resolution in writing by holders of not less than 75 per cent. in aggregate of the Principal Amount Outstanding of the Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders (a "Written Extraordinary Resolution"). A Written Extraordinary Resolution has the same effect as an Extraordinary Resolution.</p> <p>A resolution in writing by holders of not less than 50.1 per cent. in aggregate of the Principal Amount Outstanding of the Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders (a "Written Ordinary Resolution"). A Written Ordinary Resolution has the same effect as an Ordinary Resolution.</p>	
Underlying Loan Level Matters	Except in matters in relation to a Basic Terms Modification, the Note Trustee shall be bound to on-direct the Issuer to exercise the Issuer's rights in relation to Underlying Loan Level Matters in accordance with the instructions delivered to the Note Trustee from the Noteholder Representative. Following the delivery of a Note Acceleration Notice, the Note Trustee shall itself exercise the Issuer's rights to vote in relation to all Underlying Loan Level Matters in accordance with the directions of the Noteholder Representative. See Condition 18 (<i>Noteholder Representative</i>) for further details.	

Basic Terms Modification

Any Extraordinary Resolution passed by the holders of the Notes which would have the effect of (i) modifying the date of maturity of the Notes (or any of them); (ii) modifying any day for the payment of interest on the Notes (or any of them); (iii) reducing the amount of principal or the rate of interest payable in respect of the Notes; (iv) modifying the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of the Notes; (v) modifying the definition of "Basic Terms Modification"; (vi) altering the currency of payment of the Notes referable thereto; or (vii) releasing any of the Issuer Security (or any part thereof) other than in accordance with the Issuer Transaction Documents will constitute a **"Basic Terms Modification"**. A Basic Terms Modification may only be effected by an Extraordinary Resolution.

Notes Held by a member of the Group or Investor Affiliate

For the purposes of determining:

- (a) the quorum at any meeting of Noteholders considering an Extraordinary Resolution or an Ordinary Resolution or the majority of votes cast at such meeting;
- (b) the holders of Notes for the purposes of giving any direction to the Note Trustee (or any other party);
- (c) the majorities required for any written resolutions, including the majority required for passing a Written Ordinary Resolution for the purpose of appointing a Noteholder Representative;
- (d) any discretion, power or authority (whether contained in any of the Issuer Transaction Documents or conferred on it by operation of law) which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders;
- (e) the determination by the Note Trustee whether any event or potential event is or would be materially prejudicial to the interests of the Noteholders;
- (f) the objection by Noteholders for the purpose of Negative Consent; or
- (g) the determination of how many and which Notes are for the time being outstanding in accordance with the Note Trust Deed,

any Notes held by (or in relation to which the exercise of the right to vote is directed or otherwise controlled by) (A) any member of the Group or (B) an Investor Affiliate, in each case, have no voting rights or any right to pass an Extraordinary Resolution or an Ordinary Resolution and will be treated as if the same were not outstanding and will not be counted in or towards any required quorum or majority.

Negative Consent

An Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Security) or Ordinary Resolution will be deemed to have been passed by the Noteholders if, within 15 days of a notice to such Noteholders which:

- (a) contains the text of such Extraordinary Resolution or Ordinary Resolution;

- (b) invites such Noteholders to object to such Extraordinary Resolution or Ordinary Resolution;
- (c) details the manner in which objections to such Extraordinary Resolution or Ordinary Resolution should be made; and
- (d) is given to such Noteholders in accordance with the provisions of Condition 15 (*Notice to and Communication between Noteholders*) provided that any such notice will in all cases also be delivered through the systems of Bloomberg L.P. (or such other manner as may be approved in writing by the Note Trustee) by the Issuer, the Note Trustee or the Cash Manager,

holders of 25 per cent. or more (in the case of an Extraordinary Resolution) or 50.1 per cent. or more (in the case of an Ordinary Resolution) in aggregate of the Principal Amount Outstanding of the Notes have not informed the Note Trustee in the prescribed manner of their objection to such Extraordinary Resolution or Ordinary Resolution. See Condition 12(iii) (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*) for further details.

Negative Consent shall not apply to any Underlying Loan Level Matters.

**Matters
Requiring
Extraordinary
Resolution**

The matters that require an Extraordinary Resolution include, among other things:

- (a) Basic Terms Modification; and
- (b) a modification of the Notes or the Note Trust Deed (including the Conditions) or the provisions of any of the other Issuer Transaction Documents.

**Matters
Requiring
Ordinary
Resolution**

The matters that require an Ordinary Resolution include the removal of the Note Trustee, the Issuer Security Trustee, the Cash Manager, the Operating Bank, the Agent Bank, the Principal Paying Agent, the Registrar or the Issuer Corporate Services Provider.

**Retention Holder
Reserved Matters**

Notwithstanding anything to the contrary in the Conditions of the Notes, any amendment to the Issuer Transaction Documents which would (i) modify the date of final repayment of the Loan advanced by the Retention Holder; (ii) modify any day for the payment of interest on the Loan advanced by the Retention Holder; (iii) reduce the amount of principal or the rate of interest payable in respect of such Loan; (iv) modify the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of such Loan; (v) alter the currency of repayment of the Loan; (vi) prejudice the Retention Holder's position with respect to its ranking in the Issuer Priority of Payments or (vii) change the economic substance of either Loan or the Notes by reference to each other, will constitute a "**Retention Holder Reserved Matter**". Any amendment to the Issuer Transaction Documents constituting a Retention Holder Reserved Matter may only be made with the consent of the Retention Holder (in addition to the Note Trustee or Noteholders, as the case may be).

**Noteholder
Representative**

The Noteholder Representative will be the representative appointed by the Noteholders in respect of all Underlying Loan Level Matters in accordance with

Condition 18 (*Noteholder Representative*).

The Noteholder Representative will be deemed to hold and have voting rights in respect of 100 per cent. of the aggregate voting rights, held and exercisable by the Issuer as a lender of record under the Senior Facilities Agreement and the other Finance Documents and will have the right to direct the Note Trustee to on-direct the Issuer to vote in relation to all Underlying Loan Level Matters.

The Noteholder Representative shall have the right to either direct (a) the Note Trustee to on-direct the Issuer (prior to the delivery of a Note Acceleration Notice); or (b) the Note Trustee itself (following the delivery of a Note Acceleration Notice), in each case to exercise directly all of the Issuer's voting rights under the Senior Facilities Agreement and the Finance Documents in relation to Underlying Loan Level Matters in accordance with the Conditions and the Issuer Transaction Documents.

The appointment of the Noteholder Representative shall not take effect until each of the Issuer Security Trustee, the Note Trustee, the Facility Agent (with a copy of the Cash Manager) and the Issuer have been notified by the Noteholder Representative in writing of its appointment.

Should the Noteholders fail to appoint a Noteholder Representative (or a Noteholder Representative resigns or is terminated and is not replaced), the Noteholders will be deemed to have waived any rights they may have under the Conditions, including any rights to direct the Note Trustee to on-direct the Issuer with respect to any Underlying Loan Level Matters.

The right of a Noteholder to appoint, acting alone or with one or more Noteholders, a Noteholder Representative for the purpose of directing the Note Trustee to either on-direct the Issuer to exercise or to exercise directly, as the case may be, the Issuer's votes under the Finance Documents in respect of Underlying Loan Level Matters pursuant to the Conditions shall not extend to or be exercisable by:

- (a) any member of the Group; or
- (b) any Investor Affiliate.

The Noteholder Representative must not at any time be a member of the Group or an Investor Affiliate.

Notices to the Noteholders

All notices to be given by the Issuer, the Cash Manager or the Note Trustee to Noteholders shall be given in the following manners:

- (a) for so long as the Notes are in global form, all notices shall be given:
 - (i) through the regulated information service maintained or recognised by the Irish Stock Exchange (and any notice containing material, non-public information) will be given in this manner; and
 - (ii) by delivery to Euroclear and/or Clearstream, Luxembourg for communication by them to their Participants and for communication by such participants to entitled account holders; and
 - (iii) by delivery to the electronic communications systems

maintained by Bloomberg L.P. for publication on the relevant page for the Notes or such other medium for electronic display of data as may be approved in writing by the Note Trustee; or

- (b) if the Notes are in definitive form, through the regulated information service maintained or recognised by the Irish Stock Exchange (and any notice containing material, non-public information) will be given in this manner.

The Issuer will give notice to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*) of any additions to, deletions from or alterations to such methods from time to time.

Source of Funds

The repayment or prepayment of principal and the payment of interest by the Underlying Borrowers in respect of the Underlying Loan will provide the principal source of funds for the Issuer to make payments of interest on and repayments of principal in respect of the Notes.

Determination Date:

On the date which is two Business Days prior to each Distribution Date (each, a "**Determination Date**"), the Cash Manager will be required to calculate and/or determine, based on information provided to it by the Issuer or the Facility Agent, the following:

- (a) the amount and allocation of Revenue Receipts and Principal Receipts received or expected to be received and that are payable into the Issuer Transaction Account on or prior to the Distribution Date immediately following a Determination Date;
- (b) the Available Funds available to the Issuer for distribution on the following Distribution Date; and
- (c) all amounts due according to the applicable Issuer Priority of Payments.

Funds Paid into the Issuer Transaction Account:

On each Underlying Loan Interest Payment Date, the Cash Manager (on behalf of the Issuer) will request the Facility Agent to transfer from the Prepayment Account, the Cash Trap Account, the Equity Cure Account, the Cash Shortfall Account, the Rental Income Accounts, the Major Capex Account (as defined in the Senior Facilities Agreement) (Building 8), the Major Capex Account (Building 10), the Major Capex Account (Building 11) and the Rent Collection Account (as defined in the Senior Facilities Agreement) or any other relevant Obligor bank account to the Issuer Transaction Account an amount equal to the aggregate amounts in respect of interest, principal, fees and other amounts, if any, then payable under the Senior Facilities Agreement to which the Issuer, as a lender, is entitled to receive.

Revenue Receipts:

The Issuer's interest and income receipts (the "**Revenue Receipts**") will comprise, on any day, the sum of all amounts of whatever nature received or recovered by or on behalf of the Issuer under or in connection with the Underlying Loan (other than Principal Receipts), including, without limitation all amounts received or recovered by or on behalf of the Issuer in respect of:

- (a) interest payments received under the Underlying Loan;
- (b) Default Interest;
- (c) Exit Fees;
- (d) Break Costs;
- (e) any costs, expenses, commissions and other sums, in each case paid by the Underlying Borrowers or any of the Obligor in respect of the Underlying Loan or the Related Security (other than any repayments in respect of principal); and
- (f) interest on amounts standing to the credit of the Issuer Transaction Account (and any cash deposits held in a bank account of the Issuer) received during the Interest Period immediately preceding a Determination Date,

provided that all amounts recorded in the Issuer Profit Ledger shall not form part of Revenue Receipts or be applied in accordance with the applicable Issuer Priority of Payments.

Principal Receipts:

The Issuer's principal receipts (the "**Principal Receipts**") will comprise on any day all payments and repayments of principal received or recovered by or on behalf of the Issuer in connection with the Underlying Loan, and standing to the credit of the Issuer Transaction Account, including, without limitation all amounts received or recovered by or on behalf of the Issuer in respect of:

- (a) amounts recovered which are applied towards the reduction of outstanding principal as a result of actions taken in accordance with the enforcement procedures in respect of the Underlying Loan and/or the Related Security;
- (b) any mandatory prepayment amounts of a principal nature as a result of: illegality, mandatory prepayment from insurance proceeds or recovery claims, disposals, expropriation proceeds, change of control, a cash trap event or a cure payment or, replacement or repayment and cancellation in relation to a single lender or the occurrence of any other mandatory prepayment event following which amounts are allocated towards the prepayment of principal on the Underlying Loan, subject to, in each case, the conditions set out in the Senior Facilities Agreement;
- (c) payments received by or on behalf of the Issuer as a result of an indemnity payment from or the repurchase of the Underlying Loan by the Seller pursuant to the Loan Sale Agreement which, in each case, do not constitute Revenue Receipts;
- (d) voluntary repayments or prepayments in respect of the principal outstanding under the Underlying Loan made on notice in accordance with the Senior Facilities Agreement; and
- (e) any repayments or prepayments made by or on behalf of the Underlying Borrowers in connection with a restructuring of the Senior Facilities Agreement or as a condition to any waiver of an Event of Default under the Senior Facilities Agreement,

provided that all amounts recorded in the Issuer Profit Ledger shall not form part of the Principal Receipts, or be applied in accordance with the applicable Issuer Priority of Payments.

**Distribution of
Revenue and
Principal
Receipts**

Revenue and Principal Distributions:

On each Distribution Date, the Notes will be subject to a mandatory redemption in full or in part, as the case may be, in an amount up to the Notes Relevant Proportion of the sum of the Principal Receipts (if any) available to pay principal subject to the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments, as applicable. On each Distribution Date, interest due and payable on the Notes will be funded from the Notes Relevant Proportion of Revenue Receipts as applied in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments, as applicable. On each Distribution Date, Exit Fees will be due in respect of the Notes to the extent of the Notes Relevant Proportion received therefrom received by the Issuer (as Lender) under the Senior Facilities Agreement during the preceding Interest Period.

<i>Pre-Enforcement Revenue Priority of Payments</i>	<i>Pre-Enforcement Principal Priority of Payments</i>	<i>Post-Enforcement Priority of Payments</i>
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(a) *First*, on a *pro rata* and *pari passu* basis, amounts due and payable to the Note Trustee, Issuer Security Trustee, and fees and expenses and any other amounts owing to any Appointee;

(a) *First*, on a *pro rata* and *pari passu* basis, (i) in the Notes Relevant Proportion, in or towards satisfaction of all principal due or overdue in respect of the Notes until the Notes have been repaid in full and (ii) in the Loan Relevant Proportion, in or towards the repayment of all principal due and overdue in respect of the Loan until the Loan has been repaid in full; and

(a) *First*, on a *pro rata* and *pari passu* basis, amounts due and payable to the Note Trustee, Issuer Security Trustee, and fees and expenses and any other amounts owing to any Appointee;

(b) *Second*, on a *pro rata* and *pari passu* basis, third party fees and expenses due and payable by the Issuer including a provision for expected amounts including, but not limited to auditors, tax advisers, legal counsel, tax and anticipated winding up costs of the Issuer, fees incurred

(b) *Second*, the surplus (if any) to the Seller as Stripped Interest Payments in accordance with the Underlying Loan Sale Agreement.

(b) *Second*, on a *pro rata* and *pari passu* basis, third party fees and expenses due and payable by the Issuer including a provision for expected amounts including, but not limited to auditors, tax advisers, legal counsel, tax and anticipated winding up costs of the Issuer, fees incurred for listing on the stock exchange and

for listing on the stock exchange and company secretarial expenses;

(c) *Third*, on a *pro rata* and *pari passu* basis, amounts due and payable to (i) the Issuer Corporate Services Provider (including the fees, costs and expenses of the directors of the Issuer, and any advisers appointed by them, if any); (ii) the Operating Bank; (iii) the Cash Manager; (v) the Facility Agent and (iv) the Agents;

(d) *Fourth*, the Issuer's Profit to be credited to the Issuer Profit Ledger;

(e) *Fifth*, on a *pro rata* and *pari passu* basis, (i) in the Notes Relevant Proportion, in or towards satisfaction of any Exit Fees due or overdue in respect of the Notes and (ii) in the Loan Relevant Proportion, in or towards satisfaction of any Exit Fees due or overdue in respect of the Loan advanced by the Retention Holder;

(f) *Sixth*, in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of (i) interest due and overdue on the Notes, (ii) interest due and overdue on the Loan and (iii) (only on the first Distribution Date falling in May 2017) the Accrued Interest

company secretarial expenses;

(c) *Third*, on a *pro rata* and *pari passu* basis, amounts due and payable to (i) the Issuer Corporate Services Provider (including the fees, costs and expenses of the directors of the Issuer, and any advisers appointed by them, if any); (ii) the Operating Bank; (iii) the Cash Manager; (iv) the Facility Agent and (iv) the Agents;

(d) *Fourth*, on a *pro rata* and *pari passu* basis, (i) in the Notes Relevant Proportion, in or towards satisfaction of any Exit Fees due or overdue in respect of the Notes and (ii) in the Loan Relevant Proportion Share, in or towards satisfaction of any Exit Fees due or overdue in respect of the Loan advanced by the Retention Holder;

(e) *Fifth*, in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of (i) interest due and overdue on the Notes, (ii) interest due and overdue on the Loan;

(f) *Sixth*, on a *pro rata* and *pari passu* basis, (i) in the Notes Relevant Proportion, in or towards satisfaction of all principal due or overdue in respect of the Notes and (ii) in the Loan Relevant Proportion, in or towards the repayment of all principal due and overdue in respect of the Loan; and

Payments to the Seller;

(g) *Seventh*, on a *pro rata* and *pari passu* basis (i) in the Notes Relevant Proportion, in or towards satisfaction of Default Interest due or overdue in respect of the Notes and (ii) in the Loan Relevant Proportion, in or towards satisfaction of Default Interest due or overdue in respect of the Loan; and

(h) *Eighth*, the surplus (if any) to the Seller as Stripped Interest Payments in accordance with the Loan Sale Agreement.

(g) *Seventh*, the surplus (if any), to the Seller as Stripped Interest Payments in accordance with the Loan Sale Agreement.

**General Credit
Structure**

No structure credit support will be provided for the Notes. In connection with the Term Facility A Loan, a loan to value ratio will have to be maintained by the Underlying Borrowers in accordance with the Senior Facilities Agreement. See the section entitled "*THE UNDERLYING LOAN AND RELATED SECURITY*".

RISK FACTORS

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

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

- (a) an event of default under the Term Facility A Loan pursuant to the Senior Facilities Agreement; and/or
- (b) a Note Event of Default; and/or
- (c) an inability of the Issuer to repay all amounts due in respect of the Notes.

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

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

A. THE NOTES

Risks relating to the limited recourse of the Issuer

On enforcement of the Issuer Security, in the event that the proceeds of such enforcement are insufficient to meet all amounts payable by the Issuer under the Notes (after payment of all other claims ranking higher in priority to or *pari passu* with amounts due under those Notes in accordance with the Post-Enforcement Priority of Payments), then the Noteholders will have no further claim against the Issuer in respect of such unpaid amounts. Accordingly, enforcement of the Deed of Charge and Assignment and appointment of a receiver over the secured assets is the only substantive remedy available for the purposes of recovering amounts owed in respect of the Notes.

The Notes and interest thereon 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 Arranger, the Lead Manager, the Seller, the Originator, the Security Agent, the Issuer Security Trustee, the Facility Agent, the Property Manager, the Cash Manager, the Note Trustee, the Issuer Corporate Services Provider, the Paying Agents, the Registrar, the Common Depositary, the Operating Bank or any other Issuer Related Party or the shareholders of the Issuer or any company in the same group of companies as the Arranger, the Lead Manager, the Originator, the Seller, the Property Manager, the Cash Manager, the Note Trustee, the Security Agent, the Issuer Security

Trustee, the Issuer Corporate Services Provider, the Paying Agents, the Registrar, the Common Depositary, the Operating Bank or any other Issuer Related Party or the shareholders of the Issuer and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

Risks relating to the calculation of amounts and payments

The Cash Manager will rely on the Issuer or the Facility Agent to provide it with information on the basis of which it will make the determinations required to calculate payments due on the Notes on each Determination Date as described in "*CASH MANAGEMENT – Calculation of Amounts and Payments*". If the Issuer or the Facility Agent fails to provide the relevant information to the Cash Manager, the Cash Manager may not be able to accurately determine amounts due to Noteholders on the related Distribution Date.

The Cash Management Agreement provides that if such a situation arises, the Cash Manager will make its determinations based on the information provided to it by the Issuer or the Facility Agent on the three preceding Determination Dates and will not be liable to any person (in the absence of gross negligence, fraud and wilful default) for the accuracy of such determinations. There can, however, be no assurance that determinations made on this basis will accurately reflect amounts then due to Noteholders.

The Conditions of the Notes provide that if, for whatever reason, an incorrect payment is made to any party entitled thereto (including the Noteholders) pursuant to the Pre-Enforcement Priority of Payments, the Cash Manager will rectify the same by increasing or reducing payments to such party (including the Noteholders), as appropriate, on each subsequent Distribution Date or Distribution Dates to the extent required to correct the same. Where such an adjustment is required to be made, the Cash Manager will notify Noteholders of the same in accordance with the terms of Condition 15 (*Notice to and Communication between Noteholders*).

Accordingly, Noteholders should be aware that in such situations increased or reduced payments may be made. Furthermore, if such adjustments are not sufficient to rectify an incorrect payment made to a party, the Noteholders may be required to repay excess amounts received by them.

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

Risks relating to clawback under the Senior Facilities Agreement

The Senior Facilities Agreement provides that if the Facility Agent pays an amount to another party (including the Issuer) without actually receiving that amount, then such party to whom payment has been made shall on demand refund the amount paid to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated to reflect the Facility Agent's cost of funds.

In addition, if the Issuer (or the Cash Manager) on its behalf receives or recovers an amount from an Obligor other than by means of a payment or distribution made by the Facility Agent in accordance with the Senior Facilities Agreement, it may be required to repay all or some of such amount to the Facility Agent.

Accordingly, the amounts received by the Issuer and ultimately the Noteholders may in the circumstances outlined above have to be repaid to the Facility Agent by way of deduction from amounts otherwise payable to Noteholders on the next Interest Payment Date (as defined in the Senior

Facilities Agreement) in accordance with the applicable Issuer Priority of Payments. See also "*Risks relating to the calculation of amounts and payments*" above.

Considerations relating to yield and prepayments

The yield to maturity on the Notes will depend, in significant part, upon the rate and timing of principal payments on the Underlying Loan. For this purpose, principal prepayments include both voluntary prepayments, if permitted, and involuntary prepayments, such as prepayments resulting from illegality, certain change of control events, disposals or repurchase upon a breach of a warranty by the Seller under the Loan Sale Agreement.

If any of the Notes are purchased at a premium, and if payments and other collections of principal on the Underlying Loan occur at a rate faster than anticipated at the time of the purchase, then the actual yield to maturity on those Notes may be lower than assumed at the time of the purchase. If any Notes are purchased at a discount, and if payments and other collections of principal on the Underlying Loan occur at a rate slower than anticipated at the time of the purchase, then the actual yield to maturity on the Notes may be lower than assumed at the time of the purchase. The investment performance of the Note may vary materially and adversely from expectations due to the rate of payments and other collections of principal on the Underlying Loan being faster or slower than anticipated. Accordingly, the actual yield may not be equal to the yield anticipated at the time the Note was purchased, and the expected total return on investment may not be realised.

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

Interest adjustments on account of Underlying Loan Prepayments

If under the Senior Facilities Agreement the Underlying Borrowers prepay all or part of the Term Facility A Loan or any unpaid sums on an Intra-Loan Interest Payment Date, the Agent Bank will adjust the Rate of Interest on the Notes in accordance with Condition 5(g) (*Adjusted Interest on account of Underlying Loan payments*) the effect of which will be that the holders of those Notes will receive less than the full Interest Amount payable to them on the Business Day immediately following any such Intra-Loan Interest Payment Date. None of the Noteholders shall have any claim against the Issuer in respect of an interest shortfall arising from such adjustment. See Condition 5(g) (*Adjusted Interest on account of Underlying Loan payments*) for further details.

Senior purchase option under the Intercreditor Deed

Noteholders should also be aware that, pursuant to the terms of the Intercreditor Deed, the Facility B Lenders will have the right to purchase the Facility A Debt upon the occurrence of a Purchase Event. As the Issuer will be a Lender under the Term A Facility, any exercise of such right will result in the Notes redeeming early pursuant to Condition 6(c) (Optional Redemption for Tax and Other Reasons).

Effects of Underlying Borrower default

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

The only source of payment for the Notes will be the Underlying Loan. Any losses on the Underlying Loan will be allocated to the holders of the Notes.

If anticipated yields are calculated based on assumed rates of default and losses that are lower than the default rate and losses actually experienced and such losses are allocable to the Notes, the actual yield to maturity will be lower than the assumed yield. Under certain extreme scenarios, such yield could be

negative. In general, the earlier a loss borne by the Notes occurs, the greater the effect on the related yield to maturity.

Additionally, delinquencies and defaults on the Underlying Loan may significantly delay the receipt of distributions on the Notes.

Disenfranchisement of restricted lenders

Prospective Noteholders should be aware that the Conditions limit the rights exercisable by (1) any member of the Group that holds directly or indirectly any right to an interest in the Notes; or (2) any Investor Affiliate that holds directly or indirectly any right to or interest in the Notes, in each case, in relation to Underlying Loan Level Matters. See Condition 12(xi) (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*)) for further details.

To the extent that any prospective Noteholder is a member of the Group or an Investor Affiliate it should take note of the applicable voting restrictions relating to its holding of the relevant Notes.

Exercise of Underlying Loan Level Matters by the Noteholder Representative

The Noteholder Representative will act solely on behalf of the Noteholders.

Prior to the delivery of a Note Acceleration Notice the Noteholder Representative will be entitled to direct the Note Trustee to on-direct the Issuer to vote in relation to Underlying Loan Level Matters. Following the delivery of a Note Acceleration Notice the Noteholder Representative will be entitled to direct the Note Trustee itself to vote in relation to Underlying Loan Level Matters.

There can be no assurance that in exercising an Underlying Loan Level Matter any direction given by the Noteholder Representative will not conflict with the direction that could have been given by a Noteholder or Noteholders. Accordingly, Noteholders should be aware that directions given by a Noteholder Representative in respect of Underlying Loan Level Matters may ultimately adversely affect their interests in the Notes.

If a Noteholder Representative is not appointed by a Noteholder (or if a Noteholder Representative resigns or whose appointment is terminated and is not subsequently replaced) the relevant Noteholders, shall be deemed to have waived their rights under the Conditions, including any rights to direct the Note Trustee to on-direct the Issuer to vote in relation to any Underlying Loan Level Matter or to direct the Note Trustee itself to vote in with respect to any Underlying Loan Level Matter in accordance with the Conditions and the Issuer Transaction Documents. See Condition 18 (*Noteholder Representative*) for further details.

Risks relating to Noteholder meetings

A meeting of the Noteholders may be held on 10 days' notice. The requisite quorum for such a meeting is at least of 50.1 per cent. of the Principal Amount Outstanding of the Notes except where the Noteholders wish to make a Basic Terms Modification. The quorum for a Basic Terms Modification requires not less than 75 per cent. of the Principal Amount Outstanding of the Notes. An adjourned meeting of the Noteholders may be held on 5 days' notice. The requisite quorum for such a meeting is one or more persons being or representing Noteholders of whatever amount except where the Noteholders wish to make a Basic Terms Modification. The quorum for such a modification requires one or more persons being or representing not less than 75 per cent. of the Principal Amount Outstanding of the Notes. As a result of these requirements, it is possible that a valid Noteholder meeting may be held without the attendance of Noteholders who may have wished to attend and/or vote.

Risks relating to negative consent of Noteholders

An Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes, the enforcement of the Issuer Security or Ordinary Resolution) may be passed by the negative consent of the relevant Noteholders. Negative Consent shall not apply to Underlying Loan Level Matters.

An Extraordinary Resolution or an Ordinary Resolution, as applicable will be deemed to have been passed by the Noteholders unless, within 15 days of the requisite notice being given by the Issuer, the Note Trustee or the Cash Manager to the Noteholders in accordance with the provisions of Condition 15 (*Notice to and Communication between Noteholders*) and in all cases also through the systems of Bloomberg L.P., or in such other manner as may be approved in writing by the Note Trustee, (i) in the case of an Extraordinary Resolution, the holders of 25 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes or (ii) in the case of an Ordinary Resolution, the holders of 50.1 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes, have informed the Note Trustee in the prescribed manner of their objection to such Extraordinary Resolution or Ordinary Resolution, as applicable. Therefore, it is possible that an Extraordinary Resolution could be deemed to be passed without the vote of any Noteholders or even if holders of up to 24.99 per cent. in aggregate of the Principal Amount Outstanding of the Notes objected to it and it is possible that an Ordinary Resolution could be deemed to be passed without the vote of any Noteholders or even if holders of up to 50 per cent. in aggregate of the Principal Amount Outstanding of the Notes objected to it.

"Snooze you lose" provisions

The Senior Facilities Agreement includes time limits for responding on matters. If any Lender fails to accept or reject a request by the Company (or the Facility Agent on behalf of the Company) for any consent, waiver or amendment under the terms of the Finance Documents before the later of: (i) 15 Business Days from the date of such request being made; or (ii) the time period for Lenders to respond as specified in that request, the Lender's participations and Commitment in the Term Facility A Loan shall not be included when considering whether the consent of the Majority Lender or all Lenders (as applicable) has been obtained in respect of such request, amendment, release or waiver.

LIBOR

The London interbank offered rate ("**LIBOR**") has been reformed, with developments including:

- (a) the activities of administering a specified benchmark and of providing information in relation to a specified benchmark becoming regulated activities in the United Kingdom (LIBOR has been a specified benchmark since April 2013);
- (b) ICE Benchmark Administration Limited becoming the LIBOR administrator in place of the British Bankers' Association in February 2014;
- (c) a reduction in the number of currencies and tenors for which LIBOR is calculated; and
- (d) the introduction of a LIBOR code of conduct for contributing banks.

ICE Benchmark Administration Limited intends to make further reforms to the submission methodology for LIBOR panel banks.

In the EU, in September 2013, the European Commission published a proposal for a regulation ("**Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts. The Benchmark Regulation was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. It is directly applicable law across the EU. The majority of its provision will not, however, apply until 1 January 2018.

The Benchmark Regulation applies principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks", and will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and make significant changes to the way in which benchmarks falling within scope of the Benchmark Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors) and (ii) prevent certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU. The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue, financial contracts and investment funds.

Benchmarks such as LIBOR may be discontinued if they do not comply with these requirements, or if the administrator of the benchmark either fails to apply for authorisation or is refused authorisation by its home regulator. Potential effects of the Benchmark Regulation include (among other things):

- (a) an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or, if based in a non-EU jurisdiction, the administrator is not otherwise recognised as equivalent; and
- (b) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (among other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

If any proposed changes when implemented change the way in which LIBOR is calculated with respect to floating rate loans and bonds, this could result in the rate of interest being lower than anticipated, which would adversely affect the value of the Notes. Investors should also be aware that any uncertainty with respect to LIBOR (including in relation to the determination of the rate of interest payable on the Underlying Loan) may adversely affect liquidity of the Notes and their market value.

Anti-Money Laundering, Corruption, Bribery and Similar Laws May Require Certain Actions or Disclosures

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively "**Requirements**"). Any of the Issuer, the Lead Manager or the Note Trustee could be requested or required to obtain certain assurances from prospective investors intending to purchase Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is expected that the Issuer, the Lead Manager and the Note Trustee will comply with Requirements to which they are or may become subject and to interpret such Requirements broadly in favour of disclosure. Failure to honour any request by the Issuer, the Lead Manager or the Note Trustee to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Lead Manager or the Note Trustee to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Notes. In addition, it is expected that each of the Issuer, Lead Manager and the Note Trustee intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith.

UK Referendum on Membership of the European Union

On 23 June 2016 the United Kingdom ("UK") held a referendum to decide on the UK's membership of the European Union. The UK vote was to leave the European Union. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a number of years. Until the terms and timing of the UK's exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the business of the Issuer (including the performance of the Underlying Loan), one or more of the other parties to the Issuer Transaction Documents or any Obligor, or on the regulatory position of any such entity or of the transactions contemplated by the Issuer Transaction Documents under European Union regulation or more generally. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

No liquidity facility

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

Absence of ratings

In contrast to many comparable commercial mortgage backed securitisations, the Notes will not be rated on the Closing Date by any rating agency. This may reduce the number of potential investors in the Notes and may affect the price and/or liquidity of the Notes in the secondary market. Notwithstanding this, it is possible that credit rating agencies could seek to rate the Notes without having been requested to do so by the Issuer. Such unsolicited ratings could have an adverse effect on the value of the Notes.

Forward-looking statements

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

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

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

update the forward-looking statements included in this Offering Circular to reflect any future events or circumstances.

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

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

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

B. THE MARKET AND ECONOMY

Absence of secondary market; limited liquidity

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its regulated market. However, if granted, there can be no assurance that a secondary market in the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment, or that it will continue for the life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. Lack of liquidity could result in a significant reduction in the market value of the Notes.

In addition, the market value of the Notes may fluctuate with changes in prevailing rates of interest and the performance of the Underlying Loan. 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.

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

Recent events in the real estate and securitisation markets, as well as the debt markets and the economy generally, have caused significant dislocations, illiquidity and volatility in the market for commercial mortgage-backed securities, as well as in the wider global financial markets. Declining real estate values, coupled with diminished availability of leverage and/or refinancings for commercial real estate has resulted in increased delinquencies and defaults on commercial mortgage loans. In addition, the downturn in the general economy has affected the financial strength of many commercial real estate tenants and has resulted in increased rent delinquencies and increased vacancies. Any continued downturn may lead to increased vacancies, decreased rents or other declines in income from, or the value of, commercial real estate, which would likely have an adverse effect on any notes that are backed by mortgage loans secured by such commercial real estate and thus affect the values of such notes. Any further economic downturn may adversely affect the financial resources of the Underlying Borrowers and may result in the inability of the Underlying Borrowers to make principal and interest payments on, or refinance, the Underlying Loan when due. In the event of default by an Underlying Borrower under the relevant Underlying Loan, the Issuer may suffer a partial or total loss with respect to that Underlying Loan. Any delinquency or loss on the related mortgaged properties would have an adverse effect on the distributions of principal and interest received by holders of the Notes.

In addition to credit factors directly affecting notes backed by commercial mortgages, the continuing fallout from a downturn in the residential mortgage-backed securities market and markets for other

asset backed and structured products has also affected the market for notes backed by commercial mortgages by contributing to a decline in the market value and liquidity of such investments. The deterioration of other structured products markets may continue to adversely affect the value of notes backed by commercial mortgages. Even if notes backed by commercial mortgages are performing as anticipated, the value of such notes in the secondary market may nevertheless decline as a result of deterioration in general market conditions or in the market for other asset backed or structured products.

The volatile economy and credit crisis may increase loan defaults and affect the value and liquidity of your investment

The global economy recently experienced a significant recession, as well as a severe, ongoing disruption in the credit markets, including the general absence of investor demand for and purchases of commercial mortgage backed securities ("CMBS" and other asset-backed securities and structured financial products. Downward price pressures and increasing defaults and foreclosures in residential real estate or other conditions that severely depressed the overall economy and contributed to the credit crisis have also led to increased vacancies, decreased rents or other declines in income from, or the value of, commercial real estate. Additionally, the reduction in credit liquidity, decreases in the value of commercial properties and, in some instances, correspondingly higher lending rates have prevented many commercial mortgage borrowers from refinancing their loans. These circumstances have increased delinquency and default rates of commercial mortgage loans, and may lead to commercial mortgage defaults. In addition, the declines in commercial real estate values have resulted in reduced borrower equity, hindering the ability of borrowers to refinance. Higher loan-to-value ratios are likely to result in lower recoveries on foreclosure, and an increase in loss severities above those that would have been realised had commercial property values remained the same or continued to increase. Defaults, delinquencies and losses have further decreased property values, thereby resulting in additional defaults by commercial mortgage borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of notes backed by commercial mortgages.

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

Investors should consider that general conditions in the commercial real estate and mortgage markets may adversely affect the performance of the Underlying Loan and accordingly the performance of the Notes. In addition, in connection with all the circumstances described above, you should be aware in particular that:

- (a) notwithstanding that the Term Facility A Loan was fully advanced on 18 October 2016 (and the Properties were valued within the past 11 months prior to the Closing Date), the value of any of the Properties may have declined since the related Underlying Loan was originated and may decline following the issuance of the Notes and such declines may be substantial and occur in a relatively short period following the issuance of the certificates; and such declines may or may not occur for reasons largely unrelated to the circumstances of the relevant Properties;
- (b) if a Noteholder determines to sell its Notes, it may be unable to do so or may be able to do so only at a substantial discount from the price originally paid; this may be the case for reasons unrelated to the then current performance of the Notes or the related Underlying Loan; and this may be the case within a relatively short period following the issuance of the Notes;

- (c) if the Underlying Loan defaults, then the return on the Notes may be substantially reduced notwithstanding that liquidation proceeds may be sufficient to result in the repayment of the principal of and accrued interest on the Notes; an earlier than anticipated repayment of principal (even in the absence of losses) in the event of a default in advance of the maturity date would tend to shorten the weighted average period during which interest is earned on Noteholder's investments; and a later than anticipated repayment of principal (even in the absence of losses) in the event of a default upon the maturity date would tend to delay the receipt of principal and the interest on the Notes may be insufficient to compensate Noteholders for that delay;
- (d) even if liquidation proceeds received on the Underlying Loan are sufficient to cover the principal and accrued interest on the same, the Issuer may experience losses in the form of fees and expenses, and Noteholders may bear losses as a result, and their yield will be adversely affected by such losses;
- (e) the time periods to resolve the Underlying Loan following the occurrence of a default may be long, and those periods may be further extended because of an Underlying Borrower insolvency and related litigation; and
- (f) even if Noteholders intend to hold their Notes, depending on the circumstances of particular Noteholders, Noteholders may be required to report declines in the value of their holdings in the Notes, and/or record losses, on their financial statements or regulatory or supervisory reports, and/or repay or post additional collateral for any secured financing, hedging arrangements or other financial transactions that they have entered into that are backed by or make reference to the Notes, in each case as if the Notes were to be sold immediately.

In connection with all the circumstances described above, the risks described elsewhere under "*RISK FACTORS*" in this Offering Circular are heightened substantially, and Noteholders should review and carefully consider such risk factors in light of such circumstances.

Sovereign debt crisis and the global financial system

The volatility of the sovereign debt of several countries that are part of the European Union, in particular Greece, Spain, Portugal, Ireland and Italy, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone.

As a result of the credit crisis in Europe, in particular in Greece, Spain, Portugal, Ireland and Italy, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, (the "**European Stability Mechanism**"), which was activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries after June 2013.

Despite these measures, concerns persist regarding the growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Greece, Spain, Portugal, Ireland and Italy, together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the collateral.

Furthermore, concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. In particular the economic environment in

Greece remains uncertain. Further deterioration of the Greek economy or increased social tensions could cause political instability or a revision of fiscal consolidation or structural adjustment policies especially in light of the newly elected Greek government. These factors have heightened concern about Greece's continued participation in the Eurozone. The departure or risk of departure from the Euro by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Issuer and the Notes. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes. It is difficult to predict the final outcome of the Eurozone crisis. Investors should carefully consider how changes to the Eurozone may affect their investment in the Notes.

C. LEGAL AND REGULATORY REQUIREMENTS

Noteholders should analyse their own regulatory position, and are encouraged to consult with their own investment and legal advisers, regarding due diligence requirement outlined in this risk factor in respect of other applicable regulations and the suitability of the offered Notes for investment.

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

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

Without limitation to the above, other regulatory initiatives which are relevant include the following:

Basel III

The Basel Committee on Banking Supervision ("**BCBS**") has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as "**Basel III**") and has proposed certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**"). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (for example, the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (for example, as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements are coming for insurance and reinsurance undertakings through national initiatives, such as the Solvency II framework in Europe.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory

treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Risk Retention and Due Diligence

Investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings and UCITS funds.

Such requirements as they apply to credit institutions and investment firms (pursuant to Article 405 of the CRR) and authorised alternative investment fund managers (the "**Retention Requirements**") are currently in force. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its investment position, the underlying assets and (in the case of certain types of investors) the relevant sponsor, original lender or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor.

Such requirements as they apply in respect of insurance and reinsurance undertakings and UCITS funds are set out Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance, including any implementing and/or delegated regulation, technical standards and guidance related thereto together with any technical standards and guidelines published in relation thereto, as may be amended, replaced or supplemented from time to time (the **Solvency II Directive**).

Investors should also be aware of Article 17 of the European Union Alternative Fund Managers Directive (Directive 2011/61/EU) ("**AIFMD**"), as supplemented by Section 5 of Chapter III of the AIFMR Regulation which took effect on 22 July 2013 (the ("**AIFMR Regulation**"). The provisions of Section 5 of Chapter III of the AIFMR Regulation provide for risk retention and due diligence requirements in respect of alternative investment fund managers that are required to become authorised under the AIFMD and which assume exposure to the credit risk of a securitisation on behalf of one or more alternative investment funds. While such requirements are similar to those which apply under Part 5 of the CRR, they are not identical and, in particular, additional due diligence obligations apply to the relevant alternative investment fund managers.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. In particular, in the context of the requirements which apply in respect of EU regulated credit institution investors, investment firms and authorised alternative investment fund managers, the corresponding interpretation materials (to be made in the form of technical standards) have not yet been finalised. No assurance can be provided that such final materials will not affect the compliance position of previously issued transactions and/or the requirements applying to relevant investors in general.

In particular, investors should note that the European Banking Authority published a report on 22 December 2014 (the "**EBA Report**"). Following the EBA Report, on 30 September 2015, the European Commission published a proposal for a new regulation to re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe (the "**Securitisation Regulation**"). Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by BCBS and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance

provided through technical standards) applicable to certain EU regulated investors. There are differences between the legislative proposals and the current requirements, including with respect to the application approach under the Retention Requirements.

At this time, the Securitisation Regulation is in draft form and is subject to the negotiation and subsequent adoption by the European Council of Ministers and the European Parliament. It is therefore uncertain at this time whether the Securitisation Regulation will be adopted in the form proposed by the European Commission. While it is expected that the Securitisation Regulation will become effective during the course of 2017 at this time it is uncertain when the Securitisation Regulation will be adopted and become effective. As at the date hereof, the draft Securitisation Regulation does grandfather transactions which have been issued prior to the effective date of the final Securitisation Regulation and thus at this time, the re-cast risk retention rules would not apply to the transaction described herein if the Securitisation Regulation were to be adopted in its current form. To the extent the Securitisation Regulation imposes disclosure or reporting requirements on the Issuer, the Issuer has agreed to assume the costs of compliance with such requirements.

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

No retention representation of the sort referred to in the preceding paragraph has been made in relation to this transaction. The Issuer has considered the applicability of Retention Requirements to this transaction and is of the opinion that the Notes do not constitute an exposure to a "securitisation position" for the purposes of the Retention Requirements.

However, investors should be aware that the regulatory capital treatment of any investment in the Notes will be determined by the interpretation which an investor's regulator places on the provisions of the Retention Requirements and the provisions of national law which implement it. Prospective Noteholders should, therefore be aware that should the relevant investor's regulator interpret the regulations such that the Retention Requirements do not apply to an investment in the Notes, significantly higher capital charges may be applied to that investor's holding. Although market participants have, in consultations relating to these regulatory reforms, requested guidance on the structures captured by the definitions, no definitive guidance has been forthcoming. Therefore, some uncertainty remains as to which transactions are subject to the Retention Requirements.

Investors in the Notes are responsible for analysing their own regulatory position and independently assessing and determining whether or not the Retention Requirements will be applied to their exposure to the Notes and therefore prospective Noteholders should not rely on the Issuer's interpretation set out above. Further the Arranger and Lead Manager do not make any representation in respect of the application of the Retention Requirements to any investment in the Notes. Investors should consult their regulator should they require guidance in relation to the regulatory capital treatment that their regulator would apply to an investment in the Notes. the Retention Requirements and/or any further changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

In the U.S., on October 21, 2014, the Federal Deposit Insurance Corporation (the "**FDIC**"), the Federal Housing Finance Agency (the "**FHFA**") and the Office of the Comptroller of the Currency (the "**OCC**") adopted a final rule implementing the U.S. Credit Risk Retention Requirements. The following day, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission (the "**SEC**") and the Department of Housing and Urban Development (collectively with the FDIC, FHFA and OCC, the "**Joint Regulators**") adopted the U.S. Credit Risk Retention Requirements. As required by the Dodd-Frank Act, the U.S. Credit Risk Retention Requirements generally require "securitizers" to retain not less than 5 per cent. of the credit risk of the securitization

and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Credit Risk Retention Requirements became effective for commercial mortgage backed transactions on 24 December 2016. As described under "*U.S. Credit Risk Retention Requirements*" on page x, the Retention Holder will hold the required credit risk by acquiring and retaining the Retained Interest in accordance with the U.S. Credit Risk Retention Requirements. If the Retention Holder fails to retain credit risk in accordance with the U.S. Credit Risk Retention Requirements, the value and liquidity of the Notes may be adversely impacted.

Alternative Investment Fund Managers Directive

The AIFMD regulates alternative investment fund managers ("**AIFMs**") and provides in effect that each alternative investment fund (an "**AIF**") within the scope of the AIFMD must have a designated AIFM responsible for ensuring compliance with the AIFMD. Although there is an exemption in the AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"), the European Securities and Markets Authority has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it, so there can be no certainty as to whether the Issuer would benefit from the SSPE Exemption.

If the Issuer is an AIF (which at this stage is unclear) then it would be necessary to identify its AIFM, which would be the entity which manages it in general and is therefore most likely to be the Lead Manager. In such a scenario, the Lead Manager would be subject to the AIFMD and would need to be appropriately regulated and certain duties and responsibilities would be imposed on the Lead Manager. Such duties and responsibilities, were they to apply to the Lead Manager may result in significant additional costs and expenses incurred by the Lead Manager.

Emerging requirements of the European Community

As part of the harmonisation of securities markets in Europe, the European Commission has adopted a directive known as the Prospectus Directive and which has been subsequently amended by the Commission Powers (Prospectus) Directive 2008/11 EC and the Amending Directive 2010/73 EU that will regulate offers of securities to the public and admissions to trading to EU regulated markets. The European Commission has also adopted a directive known as the Transparency Directive 2004/109/EC (the "**Transparency Directive**") (which was required to be implemented by Member States (as defined in the Master Definitions and Construction Schedule) by 20 January 2007) that, among other things, imposes continuing financial reporting obligations on issuers that have certain types of securities admitted to trading on an EU regulated market. In addition, Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC and its implementing legislation with effect from 3 July 2016 (the "**Market Abuse Regulation**") and the corresponding technical standards harmonise the rules on insider trading and market manipulation in respect of securities admitted to trading on an EU regulated market and requires issuers of such securities to disclose any non-public, price-sensitive information as soon as possible, subject to certain limited exemptions. The listing of Notes on the Official List of the Irish Stock Exchange and the admission of the Notes to trading on the regulated market of the Irish Stock Exchange would subject the Issuer to regulation under these directives. The Note Trust Deed will not require the Issuer to maintain a listing for Notes on an EU stock exchange if compliance with these directives (or other requirements adopted by the European Commission or a relevant Member State) is agreed by the Note Trustee to be unduly onerous.

United Kingdom taxation position of the Issuer

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as introduced by the Taxation of Securitisation Companies Regulations

2006 (SI 2006/3296) (the "**UK Securitisation Regulations**")), and as such should be taxed only on the amount of its "retained profit" (as that term is defined in the Securitisation Regulations), for so long as it satisfies the conditions of the UK Securitisation Regulations. However, if the Issuer does not satisfy the conditions to be taxed in accordance with the UK Securitisation Regulations (or subsequently ceases to satisfy those conditions), then the issuer may be subject to tax liabilities not contemplated in the cash flows for the transaction described in this Offering Circular. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest and/or principal than expected.

Withholding Tax under the Notes

In the event that any withholding or deduction for or on account of tax is imposed on payments of interest on the Notes, neither the Issuer nor any Paying Agent nor any other person will be obliged to gross up, or to otherwise compensate Noteholders for such withholding or deduction. However, in such circumstances, the Issuer will, in accordance with Condition 6(c) (Optional Redemption for Tax or Other Reasons) of the Notes have the option (but no obligation) to redeem all outstanding Notes in full at their Principal Amount Outstanding (together with accrued interest). (See "**TERMS AND CONDITIONS OF THE NOTES**").

As of the date of this Offering Circular, no withholding or deduction for or on account of United Kingdom tax will be required on interest payments to any holders of the Notes, provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007, there can be no assurance that the law will not change.

The applicability of any withholding or deduction for or on account of United Kingdom tax on payments of interest is discussed further under the section entitled "*United Kingdom Taxation*". Investors are referred to "**UNITED KINGDOM TAXATION**" more generally on withholding taxes and deductions.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's Proposal**") for a FTT to be adopted in participating Member States (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia) (although Estonia has since stated that it will not participate). If the Commission's Proposal were to be adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established", in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the financial transaction is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear.

Additional EU member states may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Changes of law and regulation

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

Regard has also been had to the expected tax treatment of the Issuer under the tax law and the published practice of the tax authorities of the United Kingdom as at the date of this Offering Circular.

No assurance can be given as to the impact of any possible change to law (including any change in regulation which may occur without a change in primary legislation), or the regulatory, accounting or administrative practice, or the interpretation or administration thereof, or the practices of HM Revenue & Customs ("HMRC") or the tax authorities of any other relevant taxing jurisdiction, after the date of this Offering Circular nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Notes. Any changes to the accounting practices of any person may also have an effect on the tax treatment of that person.

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

No regulation of the Issuer by any regulatory authority

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

D. GENERAL FACTORS RELATING TO THE ISSUER ASSETS

The Properties: general

General risks relating to commercial mortgage lending

The Underlying Loan is secured by, amongst other things, mortgages over the Properties. The Properties, as at the Closing Date, predominately represent office space in the Devonshire Square Estate, London.

Commercial mortgage lending is generally viewed as exposing a lender to a greater risk of loss than residential mortgage lending since the repayment of a loan secured by income-producing property is typically dependent upon the successful operation of the related property. If the cashflow from the property is reduced (for example, if leases are not obtained or renewed or if tenants default in their obligations under the respective leases), a borrower's ability to repay a loan may be impaired.

The volatility of property values and net operating income depends upon a number of factors, including (a) the volatility of property revenue and (b) the relevant property's operating leverage, which generally refers to (i) the percentage of total property operating expenses in relation to property revenue, (ii) the breakdown of property operating expenses between those that are fixed and those that vary with revenue and (iii) the level of capital expenditures required to maintain the property and

retain or replace tenants. Even when the current net operating income is sufficient to cover debt service, there can be no assurance that this will continue to be the case in the future.

The net operating income and value of properties may be adversely affected by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by business closures or slowdowns and other factors); local property market conditions (such as an oversupply of office space, including market demand); perceptions by prospective tenants of the safety, convenience, condition, services and attractiveness of the properties; the proximity and availability of competing alternatives to the properties; the willingness and ability of the owners of the properties to provide capable management and adequate maintenance; demographic factors; consumer confidence; unemployment rates; customer tastes and preferences; retroactive changes to building or similar regulations; and increases in operating expenses (such as energy costs). In addition, other factors may adversely affect a property's value without affecting its current net operating income, including: changes in governmental regulations; monetary and fiscal policy and planning or tax laws; potential environmental legislation or liabilities or other legal liabilities; the availability of refinancing; and changes in interest rate or yield levels.

The age, construction quality and design of a particular property may affect its occupancy level as well as the rents that may be charged for individual leases over time. The effects of poor construction quality will increase over time in the form of increased maintenance and capital improvements needed to maintain the property and to replace or retain tenants. Even good construction will deteriorate over time if the property managers do not schedule and perform adequate maintenance in a timely fashion. If, during the term of the Underlying Loan, competing properties of a similar type are built in the area where a Property is located or similar properties in the vicinity of a Property are substantially updated and refurbished, the value and net operating income of the Property could be reduced.

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

Any one or more of the above described factors could have an adverse effect on the income derived from, or able to be generated by, any of the Properties, which could in turn cause the Underlying Borrowers to default on the Underlying Loan or may impact the Underlying Borrowers' ability to refinance the Term Facility A Loan or sell the Properties to repay the Underlying Loan.

If the Issuer does not receive the full amount due from the Underlying Borrowers in respect of the Underlying Loan, then Noteholders 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, in whole or in part, interest due on the Notes. The Issuer does not guarantee or warrant full and timely payment by the Underlying Borrowers of any sums payable under the Underlying Loan.

Risks relating to office property

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 technological features) all affect the ability of such a property to compete against other office properties in the area in attracting and retaining tenants. Other important factors that affect the ability of an office property to attract or retain tenants include the quality of a building's existing tenants, the quality of the building's property manager, the attractiveness of the building and the surrounding area to prospective tenants and their customers or clients, access to public transportation and major roads and the public perception of safety in the surrounding neighbourhood. Attracting and retaining tenants often involves refitting, repairing or making improvements to office space to accommodate the type of business conducted by prospective

tenants or a change in the type of business conducted by existing major tenants. Such refitting, repairing or improvements are often more costly for office properties than for other property types.

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

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

Each of the foregoing circumstances and events may, individually or in the aggregate, adversely affect the income from and market value of any of the Properties that comprise office property and thereby increase the possibility that the Underlying Borrowers under the Underlying Loan secured by the Properties will be unable to meet its obligations under the Underlying Loan.

Retail Properties

Properties used and/or let for retail purposes are further subject to the following which could also affect a Property's value and/or the rental income receivable from it:

- (a) competition from other retail spaces or the construction of other retail space;
- (b) competition from other forms of retailing outside a given property market (such as mail order and catalogue selling, discount shopping centres and selling through the Internet), which may reduce retailers' need for space at a given location (the continued growth of these alternative forms of retailing could adversely affect the demand for space and, therefore, the rents collectable from retail properties); and
- (c) the quality of management and attractiveness of the Properties and the surrounding neighbourhood to tenants and their customers, the public perception of the level of safety in the area, access to public transportation and major roads and the need to make major repairs or improvements to satisfy major tenants.

Such factors can sometimes result in rapid, substantial increases and decreases in rental and valuation levels.

Risks relating to tenants and leases

A borrower under a loan in relation to income-producing property generally relies on periodic service charge payments from tenants to pay for maintenance and other operating expenses of the property, and periodic rental payments to service a loan and any other debt or obligations it may have outstanding.

In addition, there can be no assurance that tenants will renew leases upon expiration or, in the case of a commercial tenant, that it will remain solvent and able to perform its obligations throughout the term of its lease. There is a particular risk of non-renewal of leases in respect of any part of the Property which are leased but not occupied.

Income from and the market value of a Property would be adversely affected if space in that Property could not be leased or re-let, if tenants were unable to meet their lease obligations, if a significant

tenant (or a number of smaller tenants) were to become insolvent, or if for any other reason rental payments could not be collected. Any tenant may, from time to time, experience a downturn in its business, which may weaken its financial condition and result in a reduction or failure to make rental payments when due. If a tenant, particularly a major tenant, defaults in its obligations under its lease, the relevant lessor may experience delays in enforcing its rights and may incur substantial costs and experience significant delays associated with protecting its investments, including costs incurred in renovating and re-letting the Property or the relevant parts of the Property.

Net operating income from a commercial property may be reduced and a borrower's ability to repay a loan impaired, as a result of, among other things, an increase in vacancy rates for a property, taxes (whether arising structurally, as a result of clawbacks, or otherwise) a decline in market rental rates as leases are renewed or entered into with new tenants, an increase in operating expenses of the property and/or an increase in capital expenditures needed to maintain the property. Voids, service charge caps and exclusions and rent free periods (and other tenant incentives) can all impact on income and lead to leakage.

No assurance can be given that tenants in a Property will continue making payments under their leases or that any such tenants will not become insolvent or subject to bankruptcy proceedings 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.

Risks relating to terms of leases

Leases may terminate earlier than anticipated if the relevant tenant surrenders its lease or defaults in the performance of its obligations. Further, leases contain break clauses which, if exercised, will lead to a termination of the relevant lease. As such, the Underlying Borrowers will have to either seek to renew such tenancies or find new tenants for the vacated premises.

Either of these factors might result in a decline in the income produced by a Property or the incurrance by the relevant Underlying Borrower of unforeseen liabilities, which may in turn adversely affect the ability of the Underlying Borrowers to meet their obligations in respect of the Underlying Loan and hence the ability of the Issuer to make payments on the Notes.

Risks relating to frustration of tenancies

A tenancy could, in exceptional circumstances, be frustrated under English law whereupon the parties need not perform any obligation arising under the relevant agreement after the frustration has taken place. Under English law frustration may occur where superseding events radically alter the continuance of the arrangement under the agreement for a party thereto, 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 owner of such property to default on its loan. Therefore, there can be no assurance that any lease will not terminate earlier than its term as a result of frustration.

Risks relating to the rights of tenants

Under each lease there is a landlord obligation, among other things, to allow each tenant quiet enjoyment of the part of the Property which is leased to it and to perform certain specified obligations. Where the landlord is in default of its obligations under a tenancy under the general law a right of set-off could be exercised against the landlord by a tenant of part of the Property in respect of its rental obligations.

In addition, risks related to tenants may also be increased if there is a concentration of tenants in particular industries at a property. If a property is leased predominantly to tenants in a particular industry, the lender may not have the benefit of risk diversification that would exist in a case where

tenants were not so concentrated. There can be no assurance that an economic decline in a particular sector would not adversely affect the ability of tenants in such sector to meet their payment obligations to an Underlying Borrower under their respective lease agreements in respect of the relevant Properties and accordingly, the relevant Underlying Borrower's ability to meet its payment obligations under the Underlying Loan. Alternatively, a lack of tenant concentration can also expose a borrower or lender, to additional risks. If a property has multiple tenants, expenditures for re-tenanting may be more frequent than in the case of a property with fewer tenants, thereby reducing the cashflow available for debt service payments. Multi-tenanted properties also may experience higher continuing vacancy rates and greater volatility in rental income and expenses. The foregoing would apply to tenants in occupation from time to time of any parts of a Property pursuant to any lease thereof.

Risks relating to statutory rights of tenants

In certain circumstances, in particular relating to the renewals of business tenancies, a tenant of a commercial property may have statutory rights to require the landlord to grant it a new lease pursuant to the Landlord and Tenant Act 1954 (such Act applies in England and Wales only). Should such a right arise, the landlord may not have their normal freedom to negotiate the terms of the new lease with the tenant, such terms being imposed by the court or being the same as those under the previous tenancy of the relevant premises.

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

Risks relating to environment

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 parts of any Property, the Security Agent should not incur responsibility for such liability prior to enforcement of the relevant Underlying Loan and Transaction Security, unless it could be established that the Security Agent had entered into possession of the affected parts of the Property or could be said to be in control of those parts of the Property affected. After enforcement, the Security Agent, if deemed to be a mortgagee or security holder in possession, or a receiver appointed on behalf of the Security Agent, could become responsible for environmental liabilities in respect of that Property. However, the Security Agent will need to be adequately indemnified for any environmental claims brought against it.

If an environmental liability arises in relation to any parts of 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 any Property could result in personal injury or similar claims by private claimants.

Although at the time of origination of the Underlying Loan an environmental assessment was carried out in respect of the Properties there can be no assurance that all environmental risks have been identified.

Risks relating to planning consents

All properties are subject to compliance with various local planning rules and regulations. Such planning rules will typically require local planning board or planning authority consent or approval to any significant construction or renovations to a property or any significant change in use for a property. Obtaining planning consent can be time consuming and, depending on the request being made to the planning board or planning authority, costly and difficult to obtain. However, failure to so comply with planning rules and regulations (together with an inability to remedy such failure) could result in penalties being assessed against the related property and failure to obtain further consents necessary to complete any action to construct, modify or change usage with respect to such property. Also, any failure to comply with such planning and other rules and regulations in relation to any Property would likely result in an Event of Default.

Risks relating to insurance

The Obligors have undertaken in the Senior Facilities Agreement that they will ensure certain insurances are in full force and effect. For further details refer to the section entitled "*THE UNDERLYING LOAN AND RELATED SECURITY*".

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

The Obligors are required to notify the Facility Agent of any renewals made and material variations or cancellations of insurance policies made, threatened or pending (to the knowledge of any Obligor) and are obliged not to do or prevent anything to be done which may make void or voidable any insurance policy.

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

Risks relating to compulsory purchase of any Property

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

If a compulsory purchase order were to be made in respect of all or parts of any Property, compensation would be payable on the basis of the open market value of all of the relevant Underlying Borrower's and respective tenant's proprietary interests in the relevant part or parts of the Property at the time of the related purchase. The relevant freehold estate and any tenancy would both be acquired and the tenants would cease to be obliged to make any further rental payments to the relevant Underlying Borrower under the tenancy. The risk to Noteholders is that the amount received from the proceeds of purchase of the freehold or leasehold estate allocable to the Underlying Loan may be less than the corresponding Principal Amount Outstanding on the Notes together with accrued interest.

There is often a delay between the compulsory purchase of a property and the payment of compensation, the length of which will largely depend upon the ability of the property owner and the

entity acquiring the property to agree on the open market value. Should such a delay occur, then, unless the Underlying Borrower has other funds available, an Event of Default may occur.

Concentration of risk generally

The Underlying Borrowers' only material assets are the Properties themselves and they will therefore not have access to any funds other than those generated through their ownership of the Properties and their letting of the Properties to occupational tenants. The ability of the Underlying Borrowers to make payments of interest and repayments of principal under the Senior Facilities Agreement will be dependent solely on the sufficiency of income generated from the Properties as well as the market value and continued successful operation and management of the Properties. A decline in any of these factors will directly materially adversely affect the Issuer's ability to make payments due in respect of the Notes in full.

Risks relating to geographic concentration

The Properties are located in the United Kingdom. Repayments under the Senior Facilities Agreement and the market value of the Properties could be adversely affected by conditions in the property market where the Properties are located.

Tenant concentration and tenant default

The Underlying Borrowers' ability to pay interest on and to repay principal under the Underlying Loan depends on the tenants' ability to make rental payments under the leases. Any tenants of the Properties may, from time to time, experience changes in their business which may weaken their financial condition and result in a failure to make rental payments when due. If a tenant of a Property were to default in its obligations to pay rent, the relevant Underlying Borrower is unlikely to have other funds available to enable it to make all payments due on the Underlying Loan. The relevant Underlying Borrower may also incur costs and experience delays associated with protecting its investment, including costs incurred in renovating and reletting that Property, thereby further reducing the amount available to make payments due in respect of the Underlying Loan.

Property condition assessments

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

To maintain rented Properties, and also to avoid loss of value, it is necessary to perform maintenance and/or repairs. In addition, it may be necessary to modernise Properties to increase their appeal or to meet contractual or legal requirements. Such measures can be time consuming and expensive. In connection with this, risks can arise in the form of higher costs than anticipated or unforeseen additional expenses for maintenance, repair or modernisation that cannot be passed on to tenants. Moreover, work can be delayed, for example, because of bad weather, poor performance or insolvency of contractors or the discovery of unforeseen structural defects. In the ordinary course of events, the Underlying Borrowers will fund such maintenance expenditure out of excess cashflow generated by the Properties. If the necessary capital expenditure is not undertaken, this could lead to a diminution in the value of the relevant Properties, impacting on the liquidation or refinancing value thereof and hence the ability to generate sufficient disposal proceeds or refinancing proceeds. The possibility of such diminution in value could be increased if enforcement proceedings following an Event of Default are protracted.

Mortgagee in possession liability

The Security Agent may be deemed to be a mortgagee in possession if there is physical entry into possession of any Property or an act of control or influence which may amount to possession (such as receiving rents directly from the relevant tenant or sub-tenant). A mortgagee in possession may incur liabilities to third parties in nuisance and negligence and, under certain statutes (including environmental legislation) and in certain circumstances, can incur the liabilities of a property owner.

E. CONSIDERATIONS RELATING TO THE INSOLVENCY OF THE OBLIGORS

Risks relating to the Obligors

The Obligors, which have been established under the laws of England, Scotland, Jersey and Luxembourg, are subject to the provisions of English insolvency law if their Centre of Main Interests is in England or Jersey, as applicable, Scottish insolvency law if their Centre of Main Interests is in Scotland and Luxembourg insolvency law if their Centre of Main Interests is in Luxembourg. Pursuant to the Senior Facilities Agreement, each Obligor represents that its Centre of Main Interests is situated in England, Jersey, Scotland or Luxembourg, as the case may be. Although the Obligors have been established as limited purpose entities they may, nonetheless, become insolvent and subject to insolvency proceedings under the laws of their applicable jurisdiction.

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

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

Limitation of recoverability of legal fees in enforcement

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

Risks relating to the litigation

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

The Obligors will only represent that there is no pending litigation against it which, if adversely determined, would have a Material Adverse Effect (as qualified by the Senior Facilities Agreement) on the date of each Utilisation Request and on each Utilisation Date.

The Underlying Borrowers are English limited partnerships

The Limited Partnerships Act 1907 (the "**Act**") governs the establishment and operation of limited partnerships in England and Wales. A limited partnership under the Act consists of one or more general partners, who are (in the event that the assets of the partnership are inadequate) liable for all debts and obligations of the partnership, and one or more limited partners. Provided that the limited

partnership is registered in accordance with the Act, limited partners are not liable for the debts and obligations of the partnership beyond the amount of their capital contribution, except (i) as specified in the relevant partnership agreement and (ii) as provided in sections 4(3) and 6(1) of the Act (as to which see below). Limited partnerships registered in England and Wales do not have a legal personality separate from their partners. Nonetheless, a change in any of the limited partners will not constitute the termination or dissolution of the partnership.

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

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

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

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

Non-English Obligors

Certain Obligors are incorporated under the laws of Jersey (the "**Jersey Obligors**"), Scotland (the "**Scottish Obligor**") or Luxembourg (the "**Luxembourg Obligors**").

The legal system and market practice concerning security in each of Jersey, Scotland and Luxembourg may have substantially different features to that in England. Such differences may include:

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

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

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

Administration

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

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

In addition, in certain circumstances (which are materially similar to those set out above, save that references to the company or its directors should be to members of the partnership and an administrative receiver cannot be appointed in respect of a limited partnership) an administrator may be appointed in relation to a partnership, the effect of which would also be that, during the period for which the order is in force, the affairs and business of the partnership and the partnership property shall be managed by the administrator.

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

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

Accordingly, if an application is made or petition is presented for the making of an administration order by the court, or notice is filed with the court of the intention to appoint an administrator, or an administration order is made or an administrator is appointed in respect of any Underlying Borrower, the enforcement of the relevant Transaction Security by the Security Agent would not be possible

unless the leave of the court or the consent of the administrator was obtained, and would in any case be delayed by the need to apply to the court for leave or to the administrator for consent.

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

The application of the Small Companies Moratorium may limit enforcement

Certain small companies, as part of the company voluntary arrangement procedure, may seek court protection from their creditors by way of a "moratorium" for a period of up to 28 days, with the option for creditors to extend this protection for up to a further two months (although the Secretary of State for Business, Energy and Industrial Strategy may, by order, extend or reduce the duration of either period). A company is eligible for a moratorium if, at the date of filing for moratorium, it meets two or more of the following criteria for being a "small company" under Section 382(3) of the Companies Act 2006 (as amended): (i) its turnover is not more than £6,500,000; (ii) its balance sheet, total is not more than £3,260,000; and (iii) the number of employees is not more than 50.

The position as to whether or not a company is eligible for a moratorium may change from period to period, depending on its financial position and average number of employees during that particular period. The Secretary of State for Business, Innovation and Skills may by regulations also modify the qualifications for eligibility of a company for a moratorium and may also modify the present definition of a "small company".

Accordingly, the Issuer or certain Obligors that are incorporated as companies may, at any given time (subject to the exemptions referred to below) be eligible to seek a moratorium, in advance of a company voluntary arrangement.

During the period for which a moratorium is in force in relation to a company, among other things, no winding-up may be commenced or administrator appointed to that company, no administrative receiver of that company may be appointed, no security created by that company over its property may be enforced (except with the leave of the court) and no other proceedings or legal process may be commenced or continued in relation to that company (except with the leave of the court).

Certain companies which qualify as small companies for the purposes of these provisions may, nonetheless, be excluded from being so eligible for a moratorium. As at the Closing Date, companies excluded from eligibility for a moratorium included those which, at the time of filing for the moratorium, were party to a "capital market arrangement", under which a party had incurred, or when the agreement was entered into expected to incur, a debt of at least £10,000,000 and which involved the issue of a capital market investment.

However, the Secretary of State may modify the criteria by reference to which a company otherwise eligible for a moratorium is excluded from being so eligible and/or provide that the exclusion shall cease to have effect. Accordingly, the provisions described above may limit the Issuer Security Trustee's ability to enforce the Issuer Security or the Security Agent's ability to enforce the Transaction Security, to the extent that the Issuer or an Obligor, as the case may be, (1) falls within the criteria for eligibility for a moratorium at the time a moratorium is sought, (2) seeks a moratorium in advance of a company voluntary arrangement (as applicable) and (3) is considered not to fall within the capital market exception (as expressed or modified at the relevant time) or any other applicable exception at the relevant time.

The ability to appoint an administrative receiver may be hindered by the application of the Enterprise Act 2002 (the "Enterprise Act")in respect of floating charges

The provisions of the Enterprise Act restrict the right of the holder of a floating charge to appoint an administrative receiver (unless the security was created prior to 15 September 2003 or an exception applies) and instead give primacy to collective insolvency procedures (in particular, administration).

The Insolvency Act 1986 contains provisions that continue to allow for the appointment of an administrative receiver in relation to certain transactions in the capital markets. The relevant exception provides that the appointment of an administrative receiver is not prohibited if it is made in pursuance of an agreement which is or forms part of a capital market arrangement (as defined in the Insolvency Act 1986) under which a party incurs or, when such agreement was entered into was expected to incur, a debt of at least £50 million and if the arrangement involves the issue of a capital market investment (also defined in the Insolvency Act 1986, but generally a rated, listed or traded debt instrument). While there is no reported case law on how these provisions would be interpreted, it should be applicable to the floating charge granted by the Issuer.

However, as this issue is partly a question of fact, were it not possible to appoint an administrative receiver in respect of the Issuer, it could be subject to administration if it was to become insolvent. In addition, the Secretary of State may, by secondary legislation, modify the exceptions to the prohibition on appointing an administrative receiver and/or provide that the exception shall cease to have effect. No assurance can be given that any such modification or provision in respect of the capital markets exception or its ceasing to be of application to the transactions described in this Offering Circular will not be detrimental to the interests of the Noteholders.

F. CONSIDERATIONS RELATING TO THE UNDERLYING LOAN AND THE UNDERLYING LOAN SECURITY

Late payment or non-payment of rent

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

Prepayment of the Underlying Loan

The Underlying Borrowers may be obliged or may choose, in certain circumstances, to prepay the Underlying Loan in whole or in part prior to the Final Repayment Date.

These circumstances include, but are not limited to, illegality (in certain circumstances), change of control of certain entities and the receipt of certain insurance proceeds. These circumstances are described in more detail in the section entitled "*SENIOR FACILITIES AGREEMENT*".

These events may be beyond the control of the Underlying Borrowers and are beyond the control of the Issuer. Any such prepayment may result in the Notes being prepaid earlier than anticipated. Refer to the risk factor above entitled "*– Considerations relating to yield and prepayments*" for further details.

Refinancing risk

The Underlying Loan may have a substantial remaining principal balance as at its scheduled maturity date.

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

The ability of the Underlying Borrowers to repay the Underlying Loan in its entirety on the Final Repayment Date will depend, among other things, upon their having sufficient available cash or equity and upon their ability to find a lender willing to lend to the Underlying Borrowers (secured against some or all of the relevant Properties) sufficient funds to enable repayment of the Underlying Loan. Such lenders will generally include banks, insurance companies and finance companies.

The availability of funds in the credit market fluctuates and during the credit crisis there was an acute shortage of credit to refinance loans such as the Underlying Loan. In addition, the availability of assets similar to the Properties, and competition for available credit, may have a significant adverse effect on the ability of potential purchasers to obtain financing for the acquisition of the Properties. There can be no assurance that the Underlying Borrowers will be able to refinance the Underlying Loan prior to the Final Repayment Date.

If the Underlying Borrowers cannot refinance the Underlying Loan, they may be required to sell some or all of the Properties in the then current market conditions in order to repay the Underlying Loan. Failure by the Underlying Borrowers to refinance the Underlying Loan or to sell the Properties on or prior to the Final Repayment Date may result in the Underlying Borrowers defaulting on the Underlying Loan and in their insolvency. See also "*E. CONSIDERATIONS RELATING TO THE INSOLVENCY OF THE OBLIGORS*". In the event of such a default or insolvency, the Noteholders may receive by way of principal repayment an amount less than the then Principal Amount Outstanding on their Notes and the Issuer may be unable to pay in full interest and other amounts due on the Notes.

Valuations

Savills has produced the Initial Appraisal. According to the Initial Appraisal, the aggregate market value of the Properties was £480,000,000 as at 1 May 2016.

Such valuation of the Properties expresses the professional opinion of the relevant valuer on the Properties and is no guarantee of present or future value in respect of the Properties. One valuer may, in respect of a Property, reach a different conclusion than the conclusion that would be reached if a different valuer was appraising the same Property, even if theoretically prepared on the same basis. Moreover, valuations seek to establish the amount that a typically motivated buyer would pay a typically motivated seller and, in certain cases, may have taken into consideration the purchase price paid by the existing property owner.

There can be no assurance that the market value of the Properties will continue to be equal to or exceed the valuations given to it in the Initial Valuation or that the value of the Properties has not changed materially since the date of the Initial Valuation. Assumptions often differ from the current facts regarding such matters and are subject to various risks and contingencies, many of which are not within the control of the Issuer, the Note Trustee, the Issuer Security Trustee, the Underlying Borrowers or any other Issuer Related Party. Some of the assumptions in the Initial Valuation might not materialise, and unanticipated events and circumstances may occur or have occurred subsequent to the date of the Initial Appraisal.

There can be no assurance that the aggregate market value of each of the Properties will be equal to or greater than the unpaid principal and accrued interest and any other amounts due on the Term Facility A Loan. Therefore, the actual results achieved may vary from the related valuation and such variations may be material. If the Properties are sold following an Event of Default, enforcement of the Issuer Security or a Note Event of Default there can be no assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due under the Notes.

Limited payment history

The Term Facility A Loan was advanced in full under the Senior Facilities Agreement on 18 October 2016 (by way of "cashless roll" facilitating a refinancing). As such, the Underlying Loan does not have a substantial payment history on the date of this Offering Circular upon which to base assumptions about future performance of the Underlying Borrowers.

Risks relating to representations and warranties of the Obligor under the Senior Facilities Agreement

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

Risks relating to special purpose covenants of the Obligor

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

The Senior Facilities Agreement contains provisions that require the Obligor to conduct themselves in accordance with certain special purpose entity covenants. The Obligor undertake not to have any employees on the day of each Utilisation Request and each Utilisation Date, and each Obligor represents that it does not have, and has not had, any employees. However, there can be no assurance that all or most of the special purpose entity covenants will be complied with by the Obligor (however, a breach of an undertaking or representation would, in certain circumstances, lead to an Event of Default) and even if all or most of such restrictions have been complied with by the Obligor there can be no assurance that the Obligor will not nonetheless become insolvent.

An insolvency of any of the Underlying Borrowers would result in an Event of Default with respect to the Underlying Loan which may give rise to an acceleration of all or part of the Underlying Loan and an enforcement of the relevant Transaction Security. This could result in significant delays in the receipt by the Issuer of payments under the Underlying Loan which could adversely affect its ability to make all payments due on the Notes.

Limitations of representations and warranties given by the Seller

Neither the Issuer nor the Issuer Security Trustee has undertaken or will undertake any investigations, searches or other actions as to the Seller's status, and each will rely instead solely on the warranties given by the Seller in respect of such matters in the Loan Sale Agreement. In the event of a material breach of loan warranty (which is capable of being remedied, but not remedied within the period specified in the Loan Sale Agreement), the Seller will be entitled (but will not be obliged) as an alternative to indemnifying the Issuer against all losses, claims, demands, taxes and other expenses or

liabilities incurred by the Issuer as a result of such breach, to repurchase the Underlying Loan. Prospective Noteholders should be aware that payments received by or on behalf of the Issuer as a result of such repurchase of the Underlying Loan (which do not constitute Revenue Receipts) shall constitute Principal Receipts which shall result in early redemption of the Notes. For further details see the section entitled "SALE OF ASSETS".

The Transaction Security is held by the Security Agent for the benefit of the Issuer (in relation to the Underlying Loan) and the other Finance Parties under the Senior Facilities Agreement (in relation to the Term Facility A Loan).

The proceeds from realisation of the Transaction Security will be distributed by the Security Agent to the Finance Parties on a *pro rata* basis. As the Issuer will only be a lender for £116,362,272.50 of the Term Facility A Loan, it will only be entitled to the enforcement proceeds of the Transaction Security that pertain to its percentage interest in the Term Facility A Loan as at the relevant date. The other lenders and Finance Parties will be entitled to the remaining proceeds (as at the relevant date). Similarly, every payment of principal and interest made under the Term Facility A Loan to the lenders in their capacity as such will be distributed on a proportionate basis between the Issuer and such lenders.

Transaction Security enforcement

In the event of acceleration of the Underlying Loan, recourse will be available only to the Transaction Security. Enforcement under the Transaction Security Documents may not result in immediate realisation of the Transaction Security and a significant delay could be experienced in recovery by the Security Agent of, amongst other things, amounts owed under the Underlying Loan.

There can be no assurance that the Security Agent would recover all amounts secured upon enforcement of the Transaction Security.

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

Majority Lender consent is required for certain matters under the Senior Facilities Agreement - the Issuer will not, at the date of this Offering Circular, be the Majority Lender

Certain terms (unless all lenders consent is expressly required) of the Finance Documents can be amended or waived with the consent of the Majority Lenders. There can be no guarantee that the Issuer will be the Majority Lender at any time during the term of the Notes. If the Issuer is at any time not the Majority Lender, it will only be able to refuse to grant consent in all Lender decisions and will not be able to control any Majority Lender decisions. This means that amendments and waivers in respect of the Finance Documents will be able to be approved without the Issuer's consent.

Restriction on enforcing the Issuer Security

If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Issuer Security Trustee will not be entitled to dispose of the undertaking, property or assets secured under the Issuer Security or any part thereof or otherwise realise the Issuer Security unless a sufficient amount would be realised to allow discharge in full of all amounts owing to the Noteholders and any amounts required under the Deed of Charge and Assignment to be paid *pari passu* with, or in priority to, the Notes or certain other requirements as more particularly specified in Condition 3(b) (*Security and Priority of Payments*) have been satisfied. See Condition 3(b) (*Security and Priority of Payments*) for further details.

Security over bank accounts

The Obligors have, in accordance with the terms of the Senior Facilities Agreement, established a number of bank accounts into which, among other things, (indirectly or directly) rental income and disposal proceeds in respect of the relevant Properties must be paid. The Obligors have, pursuant to the terms of the relevant Transaction Security Documents, granted security over all of their interests in their relevant accounts, which security is, expressed to be a first fixed charge. Furthermore, under the Deed of Charge and Assignment, the Issuer will grant security over all of its bank accounts, which security will also be expressed to be fixed security.

Although the various bank accounts are stated to be subject to various degrees of control (for example the Senior Facilities Agreement provides that the Facility Agent is to have sole signing rights over certain Control Accounts (as defined therein), being the Prepayment Account, Cash Trap Account, E Equity Cure Account, Cash Shortfall Account, the Rental Income Accounts, Major Capex Account (Building 8), Major Capex Account (Building 10), Major Capex Account (Building 11) and Rent Collection Account), there is a risk that, if the Security Agent, the Facility Agent or the Issuer Security Trustee (as appropriate) do not exercise the requisite degree of control over the relevant accounts in practice, a court could determine that the security interests granted in respect of those accounts take effect as floating security interests only. In such circumstances, monies paid into accounts or derived from those assets could be diverted to pay preferential creditors and certain other liabilities were a receiver, liquidator or administrator to be appointed in respect of the relevant company in whose name the account is held.

English law security and insolvency considerations

The Issuer will enter into the Deed of Charge and Assignment pursuant to which it will grant the Issuer Security in respect of certain of its obligations, including its obligations under the Notes. Similarly, the Obligors have entered into various Transaction Security Documents pursuant to which each Obligor granted certain security in respect of certain of its obligations, including its obligations under the Senior Facilities Agreement (as to which, see "*THE UNDERLYING LOAN AND RELATED SECURITY*").

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

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

Liquidation expenses

On 6 April 2008, a provision in the Insolvency Act 1986 came into force which effectively reversed by statute the House of Lords' decision in the case of *Leyland Daf* in 2004. Accordingly, the costs and

expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to provisions set out in the Insolvency Rules 1986.

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

G. CONFLICTS OF INTEREST

Conflicts between the Originator, the Arranger, the Lead Manager, the Seller and affiliates of the Originator, the Arranger, the Lead Manager or the Seller, on one hand, and the Issuer, on the other hand

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

The Originator, the Arranger, the Lead Manager, the Seller and their respective affiliates, intend to continue to actively acquire, develop, operate, finance and dispose of property related assets in the ordinary course of their businesses. During the course of their business activities, the Original Lender, the Arranger, the Lead Manager, the Seller and their respective affiliates may provide liquidity facility and swap counterparty services or acquire, own or sell properties or finance loans secured by properties which are in the same markets as the Properties. In such a case, the interests of such affiliates, the Originator, the Arranger, the Lead Manager and/or the Seller may differ from and compete with the interests of the Issuer, and decisions made with respect to such assets may adversely indirectly affect the amount and timing of distributions with respect to the Notes.

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

H. GENERAL: RISKS NOT EXHAUSTIVE

The Issuer believes that the risks described above are the principal risks inherent in an investment in the Notes for 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 relating to the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Offering Circular might to some degree lessen some of these risks for Noteholders, there can be no assurance that these measure will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

**DESCRIPTION OF THE NOTE TRUSTEE, THE ISSUER SECURITY TRUSTEE, THE
CASH MANAGER, THE OPERATING BANK, THE AGENT BANK, THE PRINCIPAL
PAYING AGENT AND REGISTRAR**

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

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

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

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

U.S. Bancorp, with \$438 billion in assets as of 30 June, 2016, is the parent company of U.S. Bank National Association, the 5th largest commercial bank in the United States of America. The company operates 3,122 banking offices in 25 states and 4923 ATMs and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions.

THE UNDERLYING BORROWERS

The Underlying Borrowers

The Underlying Borrowers are CG Cutlers Gardens Limited Partnership ("**CG Borrower**") acting by its general partners CG Cutlers Gardens (UK) No. 1 Limited and CG Cutlers Gardens (UK) No. 2 Limited and CG Shield House Limited Partnership ("**SH Borrower**") acting by its general partners CG Shield House (UK) No. 1 Limited and CG Shield House (UK) No. 2 Limited.

CG Borrower (an Underlying Borrower)

Corporate Structure

CG Borrower is a limited partnership established in England and Wales on 6 March 2001 under the Limited Partnerships Act 1907 (as amended), with registration number LP007458. It commenced business on 6 March 2001 and has its principal place of business at Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD and its telephone number is +44 (0) 20 3327 9720.

Under the terms of a limited partnership agreement dated 5 March 2001, which was amended on 22 March 2001 and further amended and restated on 8 March 2012 (the "**CG Borrower Partnership Agreement**"), CG Cutlers Gardens (UK) No. 1 Limited (registered number 4131332) with its registered office at Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD ("**CG Borrower General Partner 1**") and CG Cutlers Gardens (UK) No. 2 Limited (registered number 4131250) with its registered office at Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD ("**CG Borrower General Partner 2**") act as the general partners of CG Borrower (the "**CG Borrower General Partners**") and CG Global Cutlers Gardens Unit Trust together with CG International Cutlers Gardens Unit Trust are appointed as the limited partners (the "**CG Borrower Limited Partners**") and, together with the CG Borrower General Partners, the "**CG Borrower Partners**"). CG Borrower has no legal personality of its own.

CG Borrower is managed by the CG Borrower General Partners, which in turn have appointed a property managing agent (BNP Paribas Real Estate Advisory & Property Management UK Limited, the "**CG Borrower Property Manager**"). The CG Borrower General Partners, via the CG Borrower Property Manager, conduct the day-to-day management of the business of CG Borrower and the CG Borrower Limited Partners do not take part in the management or control of the business of CG Borrower.

The CG Global Cutlers Gardens Unit Trust has a 47.1515% share in the net asset value of CG Borrower. The CG International Cutlers Gardens Unit Trust has a 52.8465% share in the net asset value of CG Borrower. CG Borrower General Partner 1 has a 0.0010% share in the net asset value of CG Borrower. CG Borrower General Partner 2 has a 0.0010% share in the net asset value of CG Borrower.

The limited partnership constituting CG Borrower will terminate on the earlier of:

- (A) the tenth anniversary of the date of the CG Borrower Partnership Agreement, being 8 March 2022 (provided that any ten year period may be extended for any amount of time by the General Partners in their absolute discretion); and
- (B) the date on which the CG Borrower General Partners inform the CG Borrower Limited Partners in writing of their decision to dissolve.

The CG Borrower General Partners, in their capacity as the general partners of CG Borrower and sole partners with unlimited liability, have confirmed that as at the date of this Offering Circular they have

no conflict or potential conflict of interest in relation to any of the transactions described in this Offering Circular.

Principal Activities

The objects of CG Borrower's business are to buy, hold, manage and operate Cutlers Gardens Estates (being the real freehold property as registered at HM Land Registry under title number NGL 258077 and the real leasehold property registered under title number 607102 (also known as East India House)) and to do all things the CG General Partners may deem necessary or incidental thereto.

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

Control of CG Borrower

Except for the general restrictive provisions in the Senior Facilities Agreement, there are no specific measures in place to ensure that control of CG Borrower by its CG Borrower General Partners is not abused.

As a partnership, CG Borrower has no authorised or issued share capital.

Auditor and historical financial information

Since its incorporation, CG Borrower has not commenced operations except for entering into the Transaction Documents and effecting the transactions contemplated thereby, the acquisition, ownership, leasing, financing, development and management of its interests in the Properties and any activities directly related thereto.

As at the date of this Offering Circular, the latest annual report and audited financial statements of the CG Borrower are for the year ending 31 December 2015. The auditor of the CG Borrower is Deloitte LLP. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales.

Legal and arbitration proceedings

CG Borrower has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which CG Borrower is aware), during a period covering the last 12 months, which may have, or have had in the recent past, significant effects upon the financial position or profitability of CG Borrower.

The CG Borrower General Partners – CG Cutlers Gardens (UK) No. 1 Limited

CG Cutlers Gardens (UK) No. 1 Limited is a limited liability company incorporated in England and Wales on 27 December 2000 under the Companies Act 1985 with company registration number 4131332, its registered office is Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD and its telephone number is +44 (0) 20 3327 9720.

CG Borrower General Partner 1 is wholly owned by Rhino 1 S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg with its registered office at 2-4, rue Eugène Ruppert, L-2453 Luxembourg being registered with the Register of Commerce and Companies in Luxembourg under number B168306.

The business of CG Borrower General Partner 1 is to act as a general partner and to conduct the day-to-day management of CG Borrower.

As at the date of this Offering Circular, the directors of CG Borrower General Partner 1 are Panayot Vasilev, Mr Guy Rudd and James Lock, all of Asticus Building 2nd Floor, 21 Palmer Street, London, England, SW1H 0AD.

The directors of CG Borrower General Partner 1 may from time to time act as directors, or be otherwise involved in, other companies which have similar objectives to those of CG Borrower General Partner 1 and CG Borrower. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interests with CG Borrower General Partner 1 and/or CG Borrower. Each will respectively endeavour to ensure that such conflicts are resolved fairly in accordance with the obligations applicable to such party. As of the date of this Offering Circular there are no principal activities performed by them outside the CG Borrower where these are significant with respect to CG Borrower.

Except for the general restrictive provisions in the Senior Facilities Agreement, there are no specific measures in place to ensure that control of CG Cutlers Gardens (UK) No. 1 Limited by its directors is not abused.

The company secretary is Sanne Group Secretaries (UK) Limited.

The capitalisation of CG Borrower General Partner 1 as at the date of this Offering Circular is as follows: 1 ordinary share of £1 nominal value.

As at the date of this Offering Circular, the latest annual report and audited financial statements of the CG Borrower General Partner 1 are for the year ending 31 December 2015. The auditor of the CG Borrower General Partner 1 is Deloitte LLP. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales.

CG Borrower General Partner 1 is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the CG Borrower General Partner is aware) which may have or have had since the date of its incorporation a significant effect on the CG Borrower General Partner 1's financial position or profitability.

The CG Borrower General Partners - CG Cutlers Gardens (UK) No. 2 Limited

CG Cutlers Gardens (UK) No. 2 Limited is a limited liability company incorporated in England and Wales on 27 December 2000 under the Companies Act 1985 with company registration number 4131250, its registered office is Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD and its telephone number is +44 (0) 20 3327 9720.

CG Borrower General Partner 2 is wholly owned by Rhino 2 S.à r.l., a private limited liability company (*société à responsabilité limitée*) existing under the laws of Luxembourg with its registered office at 2-4, rue Eugène Ruppert, L-2453 Luxembourg, being registered with the Register under number B168322.

The business of CG Borrower General Partner 2 is to act as a general partner and to conduct the day-to-day management of CG Borrower.

As at the date of this Offering Circular, the directors of the CG Borrower General Partner 2 are Panayot Vasilev, Mr Guy Rudd and James Lock, all of Asticus Building 2nd Floor, 21 Palmer Street, London, England, SW1H 0AD.

The directors of CG Borrower General Partner 2 may from time to time act as directors, or be otherwise involved in, other companies which have similar objectives to those of CG Borrower General Partner 2 and CG Borrower. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interests with CG Borrower General Partner 2 and/or CG Borrower. Each will respectively endeavour to ensure that such conflicts are resolved fairly in accordance with the obligations applicable to such party. As of the date of this Offering Circular there are no principal activities performed by them outside the CG Borrower where these are significant with respect to the CG Borrower.

Except for the general restrictive provisions in the Senior Facilities Agreement, there are no specific measures in place to ensure that control of CG Cutlers Gardens (UK) No. 2 Limited by its directors is not abused.

The company secretary is Sanne Group Secretaries (UK) Limited.

The capitalisation of CG Borrower General Partner 2 as at the date of this Offering Circular is as follows: 1 ordinary share of £1 nominal value.

As at the date of this Offering Circular, the latest annual report and audited financial statements of the CG Borrower General Partner 2 are for the year ending 31 December 2015. The auditor of the CG Borrower General Partner 2 is Deloitte LLP. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales.

CG Borrower General Partner 2 is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CG Borrower General Partner 2 is aware) which may have or have had since the date of its incorporation a significant effect on CG Borrower General Partner 2's financial position or profitability.

The CG Borrower Limited Partners – The CG Global Cutlers Gardens Unit Trust ("CG Global".)

CG Global is a CG Borrower Limited Partner. It is a unit trust constituted in Jersey acting by its trustee Cutlers Gardens Jersey (No. 1) Trustee Limited (company number 107203). CG Global has no role in the management of CG Borrower.

The business of CG Global is to act as a limited partner of, and to invest in, CG Borrower.

The CG Borrower Limited Partners – The CG International Cutlers Gardens Unit Trust ("CG International").

CG International is a CG Borrower Limited Partner. It is a unit trust constituted in Jersey acting by its trustee Cutlers Gardens Jersey (No. 1) Trustee Limited (company number 107203). CG International has no role in the management of CG Borrower.

The business of CG International is to act as a limited partner of, and to invest in, CG Borrower.

SH Borrower (an Underlying Borrower)

Corporate Structure

SH Borrower is a limited partnership established in England and Wales on 6 March 2001 under the Limited Partnerships Act 1907 (as amended), with registration number LP007459. It commenced business on 6 March 2001 and has its principal place of business at Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD and its telephone number is +44 (0) 20 3327 9720

Under the terms of a limited partnership agreement dated 5 March 2001, which was amended 22 March 2001 and further amended and restated on 8 March 2012 (the "**SH Borrower Partnership Agreement**"), CG Shield House (UK) No. 1 Limited (registered number 4131311) with its registered office at Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD ("**SH Borrower General Partner 1**") and CG Shield House (UK) No. 2 Limited (registered number 4131241) with its registered office at Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD ("**SH Borrower General Partner 2**") act as the general partners of SH Borrower (the "**SH Borrower General Partners**") and CG Global Cutlers Gardens Unit Trust and CG International Cutlers Gardens Unit Trust are appointed as the limited partners (the "**SH Borrower Limited Partners**" and, together with the SH Borrower General Partners, the "**SH Borrower Partners**"). SH Borrower has no legal personality of its own.

SH Borrower is managed by the SH Borrower General Partners, which in turn have appointed a Property Manager (BNP Paribas Real Estate Advisory & Property Management UK Limited), the **"SH Borrower Property Manager"**). The SH Borrower General Partners, via the SH Borrower Property Manager, conduct the day-to-day management of the business of SH Borrower and the SH Borrower Limited Partners do not take part in the management or control of the business of SH Borrower.

The CG Global Cutlers Gardens Unit Trust has a 47.1515% share in the net asset value of SH Borrower. The CG International Cutlers Gardens Unit Trust has a 52.8465% share in the net asset value of SH Borrower. SH Borrower General Partner 1 has a 0.0010% share in the net asset value of CG Borrower. SH Borrower General Partner 2 has a 0.0010% share in the net asset value of SH Borrower.

The limited partnership constituting SH Borrower will terminate on the earlier of:

- (A) the tenth anniversary of the date of the SH Borrower Partnership Agreement, being 8 March 2022 (provided that any ten year period may be extended for any amount of time by the General Partners in their absolute discretion); and
- (B) the date on which the SH Borrower General Partners inform the SH Borrower Limited Partners in writing of their decision to dissolve.

The SH Borrower General Partners, in their capacity as the general partners of SH Borrower and sole partners with unlimited liability, have confirmed that as at the date of this Offering Circular they have no conflict or potential conflict of interest in relation to any of the transactions described in this Offering Circular.

Principal Activities

The objects of SH Borrower's business are to buy, hold, manage and operate Shield House (being the real property located in London, England constituting the portion of real freehold property registered at HM Land Registry under title number NGL 796124 known as Shield House, located at 16 New Street, London) and to do all things the SH Borrower General Partners may deem necessary or incidental thereto.

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

Control of SH Borrower

Except for the general restrictive provisions in the Senior Facilities Agreement, there are no specific measures in place to ensure that control of SH Borrower by its SH Borrower General Partners is not abused.

As a partnership, SH Borrower has no authorised or issued share capital.

Auditor and historical financial information

Since its incorporation, SH Borrower has not commenced operations except for entering into the Transaction Documents and effecting the transactions contemplated thereby, the acquisition, ownership, leasing, financing, development and management of its interests in the Properties and any activities directly related thereto.

As at the date of this Offering Circular, the latest annual report and audited financial statements of the SH Borrower are for the year ending 31 December 2015. The auditor of the SH Borrower is Deloitte LLP. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales.

Legal and arbitration proceedings

SH Borrower has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which SH Borrower is aware), during a period covering the last 12 months, which may have, or have had in the recent past, significant effects upon the financial position or profitability of SH Borrower.

The SH Borrower General Partners – CG Shield House (UK) No. 1 Limited

CG Shield House (UK) No. 1 Limited is a limited liability company incorporated in England and Wales on 27 December 2000 under the Companies Act 1985 with company registration number 4131311, its registered office is Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD and its telephone number is +44 (0) 20 3327 9720

SH Borrower General Partner 1 is wholly owned by Rhino 1 S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg with its registered office at 2-4, rue Eugène Ruppert, L-2453 Luxembourg being registered with the Register of Commerce and Companies in Luxembourg under number B168306.

The business of SH Borrower General Partner 1 is to act as a general partner and to conduct the day-to-day management of SH Borrower.

As at the date of this Offering Circular, the directors of SH Borrower General Partner 1 are Panayot Vasilev, Mr Guy Rudd and James Lock, all of Asticus Building 2nd Floor, 21 Palmer Street, London, England, SW1H 0AD.

The directors of SH Borrower General Partner 1 may from time to time act as directors, or be otherwise involved in, other companies which have similar objectives to those of SH Borrower General Partner 1 and SH Borrower. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interests with SH Borrower General Partner 1 and/or SH Borrower. Each will respectively endeavour to ensure that such conflicts are resolved fairly in accordance with the obligations applicable to such party. As of the date of this Offering Circular there are no principal activities performed by them outside the SH Borrower where these are significant with respect to the SH Borrower.

Except for the general restrictive provisions in the Senior Facilities Agreement, there are no specific measures in place to ensure that control of CG Shield House (UK) No. 1 Limited by its directors is not abused.

The company secretary is Sanne Group Secretaries (UK) Limited.

The capitalisation of SH Borrower General Partner 1 as at the date of this Offering Circular is as follows: 1 ordinary share of £1 nominal value.

As at the date of this Offering Circular, the latest annual report and audited financial statements of the SH Borrower General Partner 1 are for the year ending 31 December 2015. The auditor of the SH Borrower General Partner 1 is Deloitte LLP. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales.

SH Borrower General Partner 1 is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the SH Borrower General Partner is aware) which may have or have had since the date of its incorporation a significant effect on the SH Borrower General Partner 1's financial position or profitability.

The SH Borrower General Partners - CG Shield House (UK) No. 2 Limited

CG Shield House (UK) No. 2 Limited is a limited liability company incorporated in England and Wales on 27 December 2000 under the Companies Act 1985 with company registration number 4131241, its registered office is Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD and its telephone number is +44 (0) 20 3327 9720

SH Borrower General Partner 2 is wholly owned by Rhino 2 S.à r.l., a private limited liability company (*société à responsabilité limitée*) existing under the laws of Luxembourg with its registered office at 2-4, rue Eugène Ruppert, L-2453 Luxembourg, being registered with the Register under number B168322.

The business of SH Borrower General Partner 2 is to act as a general partner and to conduct the day-to-day management of SH Borrower.

As at the date of this Offering Circular, the directors of the SH Borrower General Partner 2 are Panayot Vasilev, Mr Guy Rudd and James Lock, all of Asticus Building 2nd Floor, 21 Palmer Street, London, England, SW1H 0AD.

The directors of SH Borrower General Partner 2 may from time to time act as directors, or be otherwise involved in, other companies which have similar objectives to those of SH Borrower General Partner 2 and SH Borrower. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interests with SH Borrower General Partner 2 and/or SH Borrower. Each will respectively endeavour to ensure that such conflicts are resolved fairly in accordance with the obligations applicable to such party. As of the date of this Offering Circular there are no principal activities performed by them outside the SH Borrower where these are significant with respect to the SH Borrower.

Except for the general restrictive provisions in the Senior Facilities Agreement, there are no specific measures in place to ensure that control of CG Shield House (UK) No. 2 Limited by its directors is not abused.

The company secretary is Sanne Group Secretaries (UK) Limited.

The capitalisation of SH Borrower General Partner 2 as at the date of this Offering Circular is as follows: 1 ordinary share of £1 nominal value.

As at the date of this Offering Circular, the latest annual report and audited financial statements of the SH Borrower General Partner 2 are for the year ending 31 December 2015. The auditor of the SH Borrower General Partner 2 is Deloitte LLP. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales.

SH Borrower General Partner 2 is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which SH Borrower General Partner 2 is aware) which may have or have had since the date of its incorporation a significant effect on SH Borrower General Partner 2's financial position or profitability.

The SH Borrower Limited Partners – The CG Global Cutlers Gardens Unit Trust ("CG Global").

CG Global is an SH Borrower Limited Partner. It is a unit trust constituted in Jersey acting by its trustee Cutlers Gardens Jersey (No. 1) Trustee Limited (company number 107203). CG Global has no role in the management of SH Borrower.

The business of CG Global is to act as a limited partner of, and to invest in, SH Borrower.

The SH Borrower Limited Partners – The CG International Cutlers Gardens Unit Trust ("CG International")

CG International is an SH Borrower Limited Partner. It is a unit trust constituted in Jersey acting by its trustee Cutlers Gardens Jersey (No. 1) Trustee Limited (company number 107203). CG International has no role in the management of SH Borrower.

The business of CG International is to act as a limited partner of, and to invest in, CG Borrower.

MANAGEMENT AND ADMINISTRATION OF THE PROPERTY

The Property Management Agreement

The legal owners of the Properties which are beneficially owned by the Original Underlying Borrowers have entered into property management agreements pursuant to which they have appointed a property manager to provide certain property management services in relation to the Properties held by them.

On 17 July 2012, CG Cutlers Gardens (UK) No. 1 Limited and CG Cutlers Gardens (UK) No. 2 Limited (as general partners of CG Cutlers Gardens LP) and CG Shield House (UK) No. 1 Limited and CG Shield House (UK) No. 2 Limited (as general partners of CG Shield House LP and CSG Courtyard (Jersey) Limited LP.) entered into a property management agreement with BNP Paribas Real Estate Advisory & Property Management UK Limited as property manager in respect of Properties (the "**Property Management Agreement**").

Term and termination of the Property Management Agreement

The Property Management Agreement came into force on 17 July 2012 and at the end of its initial term on 17 January 2016 was renewed automatically for an additional 12 months from such date) and will automatically be renewed for successive twelve-month periods thereafter, unless written notice of termination is provided to the Property Manager at least three months prior to the next date of renewal. The Property Management Agreement is governed by English law.

Property Management Services

Pursuant to the Property Management Agreement, BNP Paribas Real Estate Advisory & Property Management UK Limited as the Property Manager is mandated to carry out monitoring and rental, technical, administrative and financial management of the relevant Properties.

Duty of Care Letter

BNP Paribas Real Estate Advisory & Property Management UK Limited acting as the property manager entered into a duty of care letter on 18 October 2016 with the Propcos (as defined in the Senior Facilities Agreement), the Facility Agent and Security Agent (the "**Duty of Care Letter**").

Pursuant to the Duty of Care Letter the property manager (i) has undertaken to comply with the terms of and fulfil its obligations under the Property Management Agreement and perform such obligations with the skill, care and diligence expected from a reasonably qualified and competent managing agent, (ii) has undertaken to provide copies to the Facility Agent of any documents relating to the Properties (iii) has undertaken not to amend the Property Management Agreement (except in accordance with the Senior Facilities Agreement), (iv) must not suspend the performance of its obligations under, or terminate, the Property Management Agreement (subject to provisions for early termination) and (v) has agreed that the Facility Agent may immediately terminate the Property Management Agreement in the event that the security charged in relation to the Senior Facilities Agreement has become enforceable.

The Duty of Care Letter is governed by English law.

THE ORIGINATION AND DUE DILIGENCE PROCESS

Origination of the Underlying Loan

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

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

Due diligence

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

Such due diligence included environmental, tax, technical, and insurance adviser reports and the Initial Valuation.

Legal due diligence

The Originator's solicitors prepared an overview due diligence report of the full due diligence done in relation to the acquisition of the Properties. The report summarised issues contained in certain property due diligence information given in relation to the provision of the Senior Facilities Agreement. The Company's solicitors issued a Closing Certificate of Title dated 12 May 2016 stating that the Company has good and marketable title and is solely legally and beneficially entitled to the Property and neither the Underlying Borrowers' solicitors nor the Company know of any reason why a chargee should not be registered as registered proprietor.

Non-legal due diligence

Valuation

Prior to advancing the Term Facility A Loan, Savills was engaged to carry out an independent valuation of the Properties dated 9 May 2016, which valued the Properties as at 1 May 2016. A copy of such valuation is set out in Appendix 1 (*Initial Appraisal*) of this Offering Circular.

There can be no assurance that another valuer would have arrived at the same opinion of value or that the value of the Properties has not changed since 1 May 2016 (the valuation date set out in the Initial Appraisal). See the risk factor entitled "*Valuations*" within the section entitled "*RISK FACTORS*" above.

There has been no re-valuation of the Properties since the date set out in the Initial Appraisal (being as of 1 May 2016) for the purposes of the issue of the Notes.

Environmental and technical reports

All Properties were, prior to the origination of the Term Facility A Loan, subject to environmental assessments and technical due diligence. There can be no assurance that all environmental and technical risks have been identified.

Financial and tax due diligence report

The Group was, prior to the origination of the Term Facility A Loan, subject to financial and tax due diligence in connection with the refinancing.

THE UNDERLYING LOAN AND RELATED SECURITY

The following is a summary of the principle terms of the Senior Facilities Agreement and is qualified in its entirety by the detailed provisions of the Senior Facilities Agreement itself.

Underlying Loan Information

Original Whole Loan Balance	£312,000,000
Cut-Off Date Whole Loan	15 February 2017
Cut-Off Date Loan Balance	£314,566,593
Projected Loan Balance at Maturity	£344,900,913.28
Purpose	<p>The Capex Facility is to be used to fund the Minor Capex Account (as defined in the Senior Facilities Agreement) and (directly or indirectly via utilisation to a Major Capex Account) financing or refinancing Permitted Capex Projects in respect of each Major Capex Programme (as defined in the Senior Facilities Agreement).</p> <p>The Term Facility A Loan is to be applied towards (i) (directly or indirectly) financing or refinancing indebtedness (including the Existing Indebtedness) of the Group and its subsidiaries (including, without limitation, accrued interest, hedge termination costs, break costs, prepayment fees and any other fees, costs and expenses in relation thereto), (ii) funding the Equity Cure Account in an amount equal to the Interest Ledger Sub-Account Required Amount, (iii) funding the Equity Cure Account in an amount equal to the Opex Ledger Sub-Account Required Amount; and (iv) (directly or indirectly) financing or refinancing the Financing Costs.</p>
Utilisation Date	18 October 2016
Final Repayment Date	15 May 2019 or if each of the First Extension Option Conditions is satisfied on the relevant date specified in the definition of First Extension Option Conditions, 15 May 2020 or if each of the Second Extension Option Conditions is satisfied on the relevant date specified in the definition of Second Extension Option Conditions, 15 May 2021.
Remaining Term (as at Closing Date)	2 years, 2 months (subject to extension in accordance with the terms of the Senior Facilities Agreement).
Interest Rate	<p>The rate of interest on each Underlying Loan for each Underlying Loan Interest Period is the percentage rate per annum which is the aggregate of the applicable:</p> <p>(a) Margin; and</p> <p>(b) LIBOR.</p>
Governing Law	England and Wales.

Primary Loan Security	The Obligors have created English, Scottish, Luxembourg and Jersey law governed security (as applicable) over the assets pursuant to the Transaction Security Documents.
Sponsors	Blackstone Real Estate Partners Europe III and Blackstone Real Estate Partners VII.
Underlying Borrowers	CG Cutlers Gardens Limited Partnership (acting by its general partners CG Cutlers Gardens (UK) No.1 Limited and CG Cutlers Gardens (UK) No.2 Limited); and CG Shield House Limited Partnership (acting by its general partners CG Shield House (UK) No.1 Limited and CG Shield House (UK) No.2 Limited).
Underlying Borrower Location	England and Wales.

Financial Information (at Original Valuation)

Market Value	£480,000,000
Gross Value	£480,000,000
Market Value per sq foot	£715 per square foot
(Original Valuation)	
Valuer	Savills
Date of Original Valuation	9 May 2016 for effective date of the valuation as at 1 May 2016
Total Gross Rent/Revenue:	
– Actual	£19,530,849
– Contracted	£19,228,401

Financial Ratio at Closing

	At Cut-Off Date	
LTV	65% (Whole Loan)	
Projected ICR / Projected Debt Yield	Projected ICR: 1.92:1	Projected Debt Yield: 4.82%

Additional Loan Features

Covenants	<p>Non-compliance with the financial ratios below will constitute an Event of Default under the Senior Facilities Agreement.</p> <p>(a) on each LTV Ratio Test Date (as defined in the Senior Facilities Agreement), each Obligor shall ensure that the LTV Ratio is not greater than:</p> <ul style="list-style-type: none"> (i) in respect of an LTV Ratio Test Date falling on or prior to 17 May 2019, 85%; (ii) in respect of an LTV Ratio Test Date falling after 17 May 2019 but on or prior to 17 May 2020, 80%; and (iii) in respect of an LTV Ratio Test Date falling after 17 May 2020 but on or prior to the Final Repayment Date, 75%; and/or
	<p>(b) on any Underlying Loan Interest Payment Date, the Projected ICR is less than 1.15:1.</p>
Cash Trap	<p>A Cash Trap Event will occur on any Interest Payment Date that:</p> <p>(a) the LTV Ratio is greater than</p> <ul style="list-style-type: none"> (i) in respect of an Interest Payment Date falling on or prior to 17 May 2018, 70%; (ii) in respect of an Interest Payment Date falling 17 May 2018 but on or prior to the third anniversary of 17 May 2019, 67.5%; (iii) an in respect of an Interest Payment Date falling after 17 May 2019, 65%; and/or <p>(b) the Projected Debt Yield (as defined in the Senior Facilities Agreement) is less than:</p> <ul style="list-style-type: none"> (i) in respect of an Interest Payment Date falling on or prior to 17 May 2019, 6.00%; (ii) in respect of an Interest Payment Date falling after 17 May 2019 but on or prior to 17 May 2020, 6.25%; and (iii) in respect of an Interest Payment Date falling after 17 May 2020, 6.50%, <p>provided that for the purposes of determining whether a Cash Trap Event has occurred on any Interest Payment Date, the amounts standing to the credit of the Interest Ledger Sub Account and, following the Reserve Release Event Date, the Opex Ledger Sub-Account will not be deducted from Net Debt when calculating the Projected Debt Yield and the LTV Ratio.</p>

Portfolio/Tenancy Information (as of May 2016)

Portfolio Type	Primarily office with a small number of retail, leisure and residential sector assets.
No. of properties	12 interconnecting buildings
Property Location	United Kingdom
Year Built	Various: 1980s, 1990s and 2000s
Property Manager	Devonshire Square Management
Net Rentable Area (sq ft)	670,000
Occupancy	73%
Number of Tenants	41 tenants
Weighted Average Lease Term	8.00 years
Weighted Average Lease Term at First Break	7.99 years

General

Sterling loan facilities in the amount of £344,900,913.28 (the "**Whole Loan**") were made available by the Originator and Morgan Stanley Principal Funding, Inc. to the Underlying Borrowers pursuant to a senior facilities agreement dated 18 October 2016 between, among others, Rhino 1 S.a r.l. (the "**Company**"), the Underlying Borrowers, the Guarantors, the Originator as original lender (the "**Original Lender**") and mandated lead arranger (the "**Mandated Lead Arranger**") and Hatfield Philips Agency Services Limited as agent of the Lenders and security agent (the "**Security Agent**") and trustee for the Finance Parties (in such capacities, the "**Facility Agent**") (the "**Senior Facilities Agreement**").

The Whole Loan comprises (i) Term Facility A (with a Commitment of £264,000,000), (ii) a Term Facility B (with a Commitment of £48,000,000), (iii) a Capex Facility A (with a Commitment of £27,839,234.31) and (iv) a Capex Facility B (with a Commitment of £5,061,678.97). The total amount made available to the Underlying Borrowers under the Senior Facilities Agreement was £344,900,913.28. The outstanding principal amount of the Whole Loan at the Cut-Off Date is £314,566,593.

All references to "Underlying Loan" or "Underlying Loans" insofar as they appear or are specifically used in the context of the description of the Senior Facilities Agreement and the Related Security as set out in this section of the Offering Circular shall be construed to mean each loan made under the Facility or the principal amount outstanding for the time being of that loan. Elsewhere in this Offering Circular all references to the "Underlying Loan" shall mean the portion of the Whole Loan acquired by the Issuer.

Purpose

The Underlying Borrowers have agreed to apply all amounts borrowed by them under the Facility towards (directly or indirectly):

- (a) refinancing any Financial Indebtedness of any members of the Group and its subsidiaries (including, without limitation, accrued interest, hedge termination costs, break costs, prepayment fees and any other fees, costs and expenses in relation to such Financial Indebtedness);
- (b) funding the Equity Cure Account in an amount equal to the Interest Ledger Sub-Account Required Amount;
- (c) funding the Equity Cure Account in an amount equal to the Opex Ledger Sub-Account Required Amount; and
- (d) (directly or indirectly) financing or refinancing the Financing Costs.

Repayment

The Underlying Borrowers have agreed to repay the aggregate outstanding principal amount of the Whole Loan and all other Secured Liabilities (if any) in full on the Final Repayment Date.

Prepayment and Cancellation

Mandatory prepayment – Illegality

If at any time it becomes unlawful for a Lender to perform any of its obligations as contemplated by the Senior Facilities Agreement or to make or maintain its participation in any of the Underlying Loans (an "**Illegal Lender**"), the Facility Agent, upon becoming aware of that event, will notify the Company in writing and the commitments of that Illegal Lender will be cancelled and reduced to the extent required by the relevant law and that Illegal Lender's participation in the Underlying Loans together with accrued interest thereon and all other amounts owing to that Lender under the Finance Documents will be repaid at the date and time specified in the Senior Facilities Agreement.

Voluntary prepayment

Subject to the prepayment and cancellation restrictions set out in the Senior Facilities Agreement (as summarised below in the section below entitled "*Repayment, Prepayment and Cancellation Restrictions*"), an Underlying Borrower or the Company on its behalf may, on not less than five Business Days' prior notice to the Facility Agent (or such shorter period as the Facility Agent may agree), prepay the whole or any part of the Underlying Loans (being in a minimum amount of £1,000,000 and integral multiples of £500,000 (or, in each case, if less, the outstanding amount of the Underlying Loans)).

Voluntary cancellation

Subject to the prepayment and cancellation restrictions set out in the Senior Facilities Agreement (as summarised below in the section below entitled "*Repayment, Prepayment and Cancellation Restrictions*"), the Company may, on not less than five Business Days' prior notice to the Facility Agent (or such shorter period as the Facility Agent may agree), cancel the whole or any part of the Available Facility (being in a minimum amount of £500,000 (or, in each case, if less, such Available Facility)). Any such cancellation shall reduce each Lender's Commitment under the relevant Facility (and between Term Facility A Loan and Term Facility B Loan) on a *pro rata* basis.

Mandatory prepayment – Change of control

Following a Change of Control, if the Majority Lenders so require, the Facility Agent shall by notice to the Company, cancel all Commitments and declare all outstanding Loans, together with accrued interest and all other accrued unpaid amounts under the Finance Documents, to be immediately due and payable.

Under the Senior Facilities Agreement:

- (a) **Change of Control** means (i) the Investors cease to control the Pledgecons (taken together) ; or (ii) other than as a result of a Permitted Property Disposal, the Pledgecons (taken together) ceases to control any Obligor (other than any Pledgeco).
- (b) **control** means (whether directly or indirectly):
 - (i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of:
 - (1) in the case of the Pledgecons (taken together), more than one half of the maximum number of votes that might be cast at a general shareholders' meeting of the Pledgecons (taken together); or
 - (2) in the case of an Obligor (other than any Pledgeco), all of the votes that might be cast at a general shareholders' meeting of that Obligor; and
 - (B) appoint or remove all (in the case of an Obligor (other than any Pledgeco)), or the majority (in the case of any Pledgeco), of the directors, managers or other equivalent officers of the relevant Obligor; and
 - (ii) the holding of: (1) in the case of the Pledgecons (taken together), more than one half of the issued share capital of the Pledgecons (taken together); or (2) in the case of an Obligor (other than any Pledgeco), all of the issued share capital of that Obligor, (excluding, in each case, any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

Mandatory prepayment – Permitted Property Disposal Prepayment Proceeds, Expropriation Prepayment Proceeds, Insurance Prepayment Proceeds and Recovery Prepayment Proceeds

Following the receipt by an Obligor of any Permitted Property Disposal Prepayment Proceeds, "**Expropriation Prepayment Proceeds**" (as defined in the Senior Facilities Agreement), Insurance Prepayment Proceeds or Recovery Prepayment Proceeds, the Obligors will prepay the Underlying Loans on the Underlying Loan Interest Payment Date or the date elected (by notice in writing to the Facility Agent, received by it on no less than five Business Days prior to the proposed date for prepayment specified in such notice on the date specified in that notice) by the Company in amount equal to the proceeds received which shall be applied by the Facility Agent to prepay the Underlying Loan provided that certain unpaid costs, fees and expenses due under the Finance Documents are discharged in priority in accordance with the Senior Facilities Agreement.

Prepayments from the Cash Trap Account

If on any two consecutive Underlying Interest Payment Dates after payment of a Cash Trap Amount (the "**Sweep Cash Trap Amount**") into the Cash Trap Account, a Cash Trap Event occurs (provided that when determining if a Cash Trap Event has occurred (1) the balance of the Interest Ledger Sub-Account and the Opex Ledger Sub-Account shall be deemed to be zero and (2) the balance of the Cash Trap Account shall be deemed to exclude the Sweep Cash Trap Amount) the Facility Agent

shall (and is irrevocably instructed by each Obligor to) on the second of such consecutive Underlying Interest Payment Dates withdraw an amount equal to the Sweep Cash Trap Amount from the Cash Trap Account and apply such amount as in prepayment of the Whole Loan in accordance with Clause 7.2 (Voluntary prepayment) of the Senior Facilities Agreement together with the payment of all amounts payable in connection with such prepayment in accordance with Clause 7.7 (Prepayments: General) of the Senior Facilities Agreement, provided that:

- (a) for the purposes of any such prepayment the minimum prepayment amount, integral multiples and notice requirements set out in Clause 7.2 (Voluntary prepayment) of the Senior Facilities Agreement shall not apply; and
- (b) all amounts payable in connection with such prepayment in accordance with Clause 7.7 (Prepayments: General) of the Senior Facilities Agreement shall be payable from the amount withdrawn from the Cash Trap Account pursuant to the Senior Facilities Agreement on the relevant Underlying Interest Payment Date.

The Company may at any time elect that all or any part of any amounts standing to the credit of the Cash Trap Account are applied in prepayment of the Whole Loan in accordance with Clause 7.2 (Voluntary prepayment) of the Senior Facilities Agreement provided that:

- (a) for the purposes of any such prepayment the minimum prepayment amount and integral multiples requirements set out in Clause 7.2 (Voluntary prepayment) of the Senior Facilities Agreement shall not apply; and
- (b) all amounts payable in connection with such prepayment in accordance with Clause 7.7 (Prepayments: General) of the Senior Facilities Agreement shall be payable from the amount withdrawn from the Cash Trap Account (and the principal amount prepaid shall be reduced accordingly) pursuant to the Senior Facilities Agreement on the date of the relevant prepayment.

Prepayments from the Equity Cure Account

If on an Underlying Interest Payment Date the Obligors are not in compliance with the requirements of:

- (a) Clause 22.1 (LTV Ratio) of the Senior Facilities Agreement (provided that when determining such compliance (1) it shall be assumed that such Interest Payment Date is a LTV Ratio Test Date and (2) the balance of the Equity Cure Account shall be deemed to be zero); or
- (b) Clause 22.2 (Projected ICR) of the Senior Facilities Agreement (provided that when determining such compliance the balance of the Equity Cure Account shall be deemed to be zero),

the Facility Agent shall (and is irrevocably instructed by each Obligor to) withdraw all amounts standing to the credit of the Equity Cure Account and apply such amounts in prepayment of the Loans in accordance with Clause 7.2 (Voluntary prepayment) of the Senior Facilities Agreement together with the payment of all amounts payable in connection with such prepayment in accordance with Clause 7.7 (Prepayments: General) of the Senior Facilities Agreement provided that for the purposes of any such prepayment the minimum prepayment amount and integral multiples set out in Clause 7.2 (Voluntary prepayment) of the Senior Facilities Agreement shall not apply.

The Company may at any time elect that all or part of any amounts standing to the credit of the Equity Cure Account are applied in prepayment of the Loans in accordance with Clause 7.2 (Voluntary prepayment) of the Senior Facilities Agreement together with the payment of all amounts payable in connection with such prepayment in accordance with Clause 7.7 (Prepayments: General) of the Senior Facilities Agreement provided that for the purposes of any such prepayment the minimum prepayment

amount and integral multiples requirements set out in Clause 7.2 (Voluntary prepayment) of the Senior Facilities Agreement shall not apply.

Repayment, Prepayment and Cancellation Restrictions

- (a) A repayment, prepayment or cancellation in respect of the Underlying Loans or the Available Commitment is subject to the following conditions under the Senior Facilities Agreement.
- (b) Any repayment or prepayment under the Senior Facilities Agreement shall be made together with (without double counting):
 - (i) accrued but unpaid interest (including Underlying Loan Margin, if any) on the amount repaid or prepaid;
 - (ii) any applicable Break Costs and the applicable Prepayment Fees (if any); and
 - (iii) payment of any other Secured Liabilities which become due and payable as a result of the prepayment or repayment,but shall otherwise be made without premium or penalty.
- (c) No Underlying Borrower may re-borrow any part of a Facility which has been repaid or prepaid.
- (d) No Underlying Borrower may repay or prepay all or any part of the Underlying Loans except as provided for in the Senior Facilities Agreement, unless otherwise agreed by the Facility Agent.
- (e) Upon receipt of a notice with respect to prepayment and cancellation of an Underlying Loan, the Facility Agent will forward a copy of that notice to either the Company or the affected Lender.
- (f) No amount of the Total Commitments cancelled may be subsequently reinstated.
- (g) If all or part of the Underlying Loans is repaid or prepaid, an amount of the Commitments under the relevant Facility equal to the amount of the Underlying Loans which is prepaid or repaid will be deemed to be cancelled on the date of repayment or prepayment.
- (h) Any prepayment of the Underlying Loan pursuant to an illegality (as summarised in the section above entitled "*Mandatory prepayment – Illegality*" of this Offering Circular), in respect of which such prepayment will be applied against the Illegal Lender's participations in the Underlying Loans (and, to the extent the Illegal Lender's participations in the Underlying Loans are not being prepaid in full, between such participations as required as a result of the relevant illegality).
- (i) On the date on which the Underlying Loan is, in whole or in part, prepaid:
 - (i) in the case of a prepayment which is made in relation to a Major Capex Programme, the Allocated Loan Amount of the Property in respect of which the relevant Major Capex Programme relates shall be reduced in an aggregate amount not exceeding such prepayment;
 - (ii) in the case of a prepayment made as a consequence of a Permitted Property Disposal (other than in relation to a Residential Unit), the Allocated Loan Amount for each Property (other than the Property the subject of that Permitted Property Disposal) shall be reduced on a pro rata basis in an aggregate amount not exceeding the ALA Excess in respect of such Permitted Property Disposal; and

- (iii) in the case of a prepayment made as a consequence of a Permitted Property Disposal of a Residential Unit:
 - (i) the Allocated Loan Amount for the Property of which the Residential Unit forms part shall be reduced by the Permitted Property Disposal Prepayment Proceeds so prepaid until the Allocated Loan Amount for that Property is equal to zero; and
 - (ii) to the extent the Allocated Loan Amount for the Property of which the Residential Unit forms is or becomes zero, the Allocated Loan Amount for each Property (other than the Property of which the Residential Unit the subject of that Permitted Property Disposal forms part) shall be reduced on a pro rata basis in an aggregate amount not exceeding the prepayment minus any reduction in the Allocated Loan Amount for the Property of which the Residential Unit forms pursuant to subparagraph (i) above.

Interest

The Underlying Borrowers shall pay accrued interest on the Underlying Loans on each Underlying Loan Interest Payment Date. The rate of interest on each Underlying Loan for each Underlying Loan Interest Period is the percentage rate per annum which is the sum of:

- (a) the applicable Underlying Loan Margin; and
- (b) the applicable Underlying Loan LIBOR.

Default interest will apply on any Unpaid Sums which an Obligor fails to pay from the due date up to the date of actual payment in accordance with the Senior Facilities Agreement at a rate of one per cent. per annum plus the rate of interest which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted an Underlying Loan in the currency of the Unpaid Sum for successive Underlying Loan Interest Periods, each of a duration selected by the Facility Agent (acting reasonably). Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Underlying Loan Interest Period applicable to that Unpaid Sum but shall remain immediately due and payable.

Fees

The Company agreed to pay:

- (a) to the Facility Agent, for the account of each Lender pro rata, a prepayment fee in the amount and at the times agreed in the Prepayment Fee Letter;
- (b) to the Mandated Lead Arrangers arrangement fees in the amount and at the times agreed in the Arrangement Fee Letter;
- (c) to the Facility Agent (for its own account) an agency fee in the amounts and at the times agreed in the Facility Agent Fee Letter; and
- (d) to the Security Agent (for its own account) an agency fee in the amounts and at the times agreed in the Security Agent Fee Letter.

Tax Gross-Up

Each Obligor has agreed to make all payments to be made by it to any Finance Party without any Tax Deduction, unless a Tax Deduction is required by law. If a Tax Deduction is required by law, the Obligor has agreed to gross up such payments, subject to certain exceptions.

FATCA Deduction

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

Tax Indemnity

Subject to certain exceptions, the Company shall, within five Business Days of a demand by the Facility Agent, pay or procure payment to a Finance Party an amount equal to the loss, liability or cost which that Finance Party determines (acting reasonably and in good faith) will be or has been directly or indirectly suffered for or on account of Tax by that Finance Party in respect of a Finance Document.

Increased Costs

Subject to certain exceptions, the Company shall, within five Business Days of demand by the Facility Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

- (a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or
- (b) compliance with any law or regulation made after the date of the Senior Facilities Agreement.

Exceptions include the following:

- (a) costs due to the implementation or application of, or compliance with, Basel II, Basel III or any other law or regulation which implements or applies Basel II or Basel III;
- (b) costs due to the implementation or application of, or compliance with CRD IV (as defined in the Senior Facilities Agreement);
- (c) a Tax Deduction required by law to be made by an Obligor;
- (d) costs compensated by (or which would have been compensated for) under the tax indemnity provided for in Senior Facilities Agreement (as summarised above in the section entitled "– Tax Indemnity" of this Offering Circular) but not so compensated solely because of any of the exclusions applicable to such tax indemnity or because the party is not a Protected Party;
- (e) a FATCA Deduction required to be made by a Party; or
- (f) due to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation or any term of any Finance Document.

Representations

Subject to certain exceptions provided for in the Senior Facilities Agreement, each Obligor, has made or makes, as appropriate, customary representations to each Finance Party on the date of the Senior Facilities Agreement, the date of each Utilisation Request, Utilisation Date and in relation to certain repeating representations and warranties (as summarised below in the section entitled "*Timing of representations*") on the first day of each Underlying Loan Interest Period. These representation and warranties of each Obligor are as follows:

(a) *Status:*

each Obligor is duly incorporated or created under the laws or its incorporation or formation, validly existing under the law of its jurisdiction of incorporation or formation and has the power to own its assets and carry on its business as it is being conducted.

(b) *Binding obligations:*

subject to the Legal Reservations and Perfection Requirements, the obligations expressed to be assumed by it in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations; each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective; and the Transaction Security has or will have first ranking priority (or subsequent ranking priority insofar as the prior ranking priority Security is conferred under another Transaction Security Document) and is not subject to any prior ranking or *pari passu* ranking Security (other than under another Transaction Security Document) other than the Permitted Security.

(c) *Non-conflict with other obligations:*

the entry into and delivery by it of, the exercise of its rights under and the performance of its obligations under the Transaction Documents and the transactions contemplated thereby, and the granting of the Transaction Security do not and will not conflict with: (i) any law or regulation applicable to it; (ii) its constitutional documents; or (iii) any agreement or instrument binding upon it or any member of the Group or any of its or any of the Group's assets or constitute a default or termination event under any such agreement or instrument in each case to an extent which would have a Material Adverse Effect.

(d) *Power and authority:*(i) it has the power, capacity and authority to enter into, deliver, exercise its rights and perform its obligations under the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents; and (ii) it has taken all necessary action under its constitutional documents to duly authorise its entry into, the delivery by it of, the exercise of its rights under and the performance of its obligations under the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.

(e) *Validity and admissibility in evidence:*

(i) Subject to the Legal Reservations, all Authorisations required in its Relevant Jurisdiction: (A) to enable it lawfully to enter into, deliver, exercise its rights and perform its obligations in each of the Transaction Documents to which it is or will be a party and the transactions contemplated thereby; and (B) at the time that evidence is required to be submitted to make the Transaction Documents to which it is or will be a party admissible in evidence in its Relevant Jurisdictions and in the courts of any relevant jurisdiction to which the parties to such Transaction Document have submitted, have been obtained or effected and are in full force and effect other than any Perfection Requirement.

- (ii) All Authorisations necessary for the conduct of the business, trade and ordinary activities of all members of the Group have been obtained or effected and are in full force and effect other than to the extent failure to obtain or effect those Authorisations would not have a Material Adverse Effect.
 - (iii) No Obligor, is in breach of any law or regulation in a manner or to an extent which would have a Material Adverse Effect.
- (f) *Governing law and enforcement*: the choice of the applicable law as the governing law of each Transaction Document to which it is a party (as set out in each Transaction Document) will, subject to the Legal Reservations and Perfection Requirements, be recognised and enforced in its Relevant Jurisdiction. Any judgment obtained in relation to any Transaction Document to which it is a party in the jurisdiction of the governing law of that Transaction Document will, subject to the Legal Reservations and Perfection Requirements, be recognised and enforced in its Relevant Jurisdiction.
- (g) *Deduction of Tax*: it is not required to make any Tax Deduction from any payment it may make under any Finance Document to a Lender which is a Qualifying Lender.
- (h) *No filing or stamp taxes*: under the laws of its Relevant Jurisdiction(s) it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents other than in connection with any Perfection Requirement.
- (i) *No default*: (i) on the date of the Senior Facilities Agreement no Default was continuing; and (ii) no event or circumstance is outstanding which would constitute a breach of or default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which would have a Material Adverse Effect.
- (j) *No misleading information*: other than in respect of or relating to any Existing Information, (i) all written material factual information supplied by it or on its behalf to any Finance Party in connection with the Transaction Documents, any Hedge Counterparty in connection with any Hedge Documents, the Valuer for the purposes of the most recent Valuation, and/or any report provider in connection with the preparation of any Report, was, so far as it is aware, true, complete and accurate in all material respects as at its date or as at the date at which it is stated to be given and is not misleading in any material respect; (ii) any financial projections contained in the information referred to in sub-paragraph (j)(i) have been prepared as at their date, on the basis of recent historical information and assumptions believed by it to be fair and reasonable at such time provided that each Finance Party acknowledges that as such financial projections are based on assumptions and subject to significant uncertainties and contingencies and no assurance can be given that such projections will be realised; (iii) it has not omitted to supply information (other than in respect of or relating to any Existing Information) which, if disclosed, would make any of the information referred to in sub-paragraph (i) untrue or misleading in any material respect; (iv) other than in respect of or relating to any Existing Information, nothing has occurred since the date of the provision of the information referred to in sub-paragraph (i) which renders that information untrue or misleading in any material respect; (v) all written material factual information supplied by it or on its behalf to any Finance Party in connection with the most recent Quarterly Management Report was, so far as it is aware, true, complete and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given and is not misleading in any material respect.
- (k) *Financial Statements*: the financial statements delivered to the Facility Agent under the Senior Facilities Agreement have been prepared in accordance with the Accounting Principles and

give a true and fair view of (if audited) or fairly present (if unaudited and subject to customary year-end adjustments and to the extent reasonably expected of financial statements not subject to audit procedures) the financial condition of the Group or, as applicable, the relevant Obligor as at the end of, and consolidated results of operations for, the period to which they relate.

- (l) *No proceedings pending or threatened*:no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency are current or, to the best of its knowledge (having made due enquiry appropriate and consistent for entities of a similar nature to the Obligors acting on transactions similar to those contemplated by the Transaction Documents), pending against it or any of its Subsidiaries which if adversely determined would have a Material Adverse Effect.
- (m) *Environmental laws*:it is in compliance with the environmental compliance undertaking contained in the Senior Facilities Agreement, no circumstances have occurred which would prevent that performance or observation where failure to do so would have a Material Adverse Effect. No Environmental Claim was current or to the best of its knowledge (having made all due and careful enquiry) pending or threatened against it which if adversely determined would have a Material Adverse Effect.
- (n) *Taxation*:Except as disclosed, it has paid and discharged all material Taxes imposed on it or its assets within the time period allowed without incurring interest or penalties (subject to certain exclusions).
 - (ii) There are no claims which are current or, to the best of its knowledge (having made due enquiry appropriate and consistent for entities of a similar nature to the Obligors acting on transactions similar to those contemplated by the Transaction Documents), pending against it with respect to Taxes which if adversely determined would have a Material Adverse Effect.
 - (iii) It is not materially overdue in the filing of any Tax returns.
 - (iv) No tenant under any Occupational Lease is required under any law to make any deduction or withholding for or on account of UK income tax from any Rental Income.
 - (v) No Property Manager is required under any law to make any deduction or withholding for or on account of UK income tax from any Rental Income.
 - (vi) Each Propco is registered for United Kingdom VAT.
 - (vii) Each Pledgeco is registered under the Taxation of Income from Land (Non-Residents) Regulations 1995 SI 1995/2902.
 - (viii) Since 17 July 2012, no Obligor is, or has ever been, treated as a member of a VAT Group, other than a VAT Group consisting solely of Obligors.
 - (ix) Since 17 July 2012, each JPUT is and has at all times been treated as a transparent Baker Trust in respect of income for United Kingdom tax purposes as described in the case of *Archer Shee v Baker* (H M Inspector of Taxes) [1927] A.C. 844.
 - (x) Each Propco holds the Properties as an investment asset.

No member of the Group has any Financial Indebtedness outstanding other than as permitted by the Senior Facilities Agreement.

(p) *Good title to Property:*

Except as disclosed in any Report, on and from the Utilisation Date:

- (a) each Propco (in respect of beneficial ownership) and each English LP General Partner (in respect of legal ownership) is the legal and beneficial owner of the Property it is named as owner of and has good and marketable title to such Properties, in each case free from any Security (other than any Permitted Security);
- (b) each Obligor (other than a JPUT Trustee) is the legal and beneficial owner of, and has good, valid and marketable title to each of its assets (other than the Properties) which are expressed to be the subject of the Transaction Security, in each case free from any Security (other than any Permitted Security);
- (c) each JPUT Trustee is the legal owner of, and has good, valid and marketable title to each of its assets which are expressed to be the subject of the Transaction Security, in each case free from any Security (other than any Permitted Security) and the JPUT Unitholders of the relevant JPUT having an undivided beneficial interest in the relevant JPUT Unit Trust Fund according to their proportionate unitholdings;
- (d) (other than any such licence, consent or authorisation solely required under applicable law in respect of the use of the Properties by a tenant) in respect of the Properties, the relevant Propco has the benefit of all:
 - (i) licences;
 - (ii) consents; and
 - (iii) authorisations,in each case required under all applicable law in connection with that Propco's ownership and use of the Properties and they are in full force and effect and no breach of any law, regulation or covenant is outstanding which would have a material adverse effect on the value, saleability or use of the Properties;
- (e) there is no covenant, easement, agreement, reservation, restriction, condition or other matter which adversely affects the Properties;
- (f) the Properties are not subject to any overriding interest or an unregistered interest which overrides first registration or registered dispositions;
- (g) no facility necessary for the enjoyment and use of the Properties are enjoyed by the Properties on terms entitling any person to terminate or curtail its use;
- (h) the Properties are free and clear of material damage and structural defects which would have a material adverse effect on the value of the Properties;
- (i) the Properties are not subject to or at risk of flooding or subsidence which would have a material adverse effect on the value of the Properties;
- (j) each Obligor has complied in all material respects with Planning Laws to which it or the Properties is subject and with any condition, agreement or undertaking to applicable planning permissions or otherwise relating to or affecting the Properties, other than such matters which are the sole obligation of any tenant under any Occupational Lease and which do not bind any Obligor in any capacity;

- (k) the Properties are held by the relevant Propco free from any Lease (other than any Lease that has been entered into prior to the date of or otherwise in accordance with the terms of the Senior Facilities Agreement); and
- (l) no Obligor has received any notice of any adverse claim by any person in respect of the ownership of the Properties or any interest in it which if adversely determined would have a Material Adverse Effect nor has any acknowledgement been given to any such person in respect of the Properties.
- (q) *Ranking*:its payment obligations under the Finance Documents to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors other than those creditors whose claims are preferred by any bankruptcy, insolvency, liquidation or other similar laws of general application to companies limited partnerships (as applicable).
- (r) *Centre of Main Interests*:its Centre of Main Interests is in its jurisdiction of incorporation or formation and It has no "establishment" (as that term is used in Article 2(h) of the COMI Regulation (as defined in the Senior Facilities Agreement) in any other jurisdiction other than its jurisdiction of incorporation or formation.
- (s) *No other business*:no Obligor has traded or carried on any business since the date of its incorporation or establishment except for (i) entering into the Transaction Documents and effecting the transactions contemplated thereby, the acquisition, ownership, management, financing, development and leasing of its interests in the Properties and any activities directly related thereto; and (ii) in the case of a Holding Company, effecting transactions in the administration and business of being a Holding Company and the ownership of subsidiaries.
- (t) *Pensions and employees*:no Obligor has (i) at any time since 17 July 2012 been an employer (for the purpose of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme (as defined in the Pensions Schemes Act 1993), (ii) at any time since 17 July 2012 been "connected" with or an "associate" of (as those terms are used in sections 38 and 43 of the Pensions Act 2004) such an employer, or (iii) any employees or has any actual or contingent liabilities in respect of persons that were previously employed by it.
- (u) *Ownership of Obligors*:the Group Structure Chart is true, complete and accurate in all material respects and shows the structure of the Group on 17 May 2016.
- (v) *Security*:(i) no Security exists over all or any of the present or future assets of the Obligors expressed to be the subject of the Transaction Security except Permitted Security, (ii) all of the shares in any Obligor which are expressed to be subject to the Transaction Security have been duly issued, are fully paid and are not subject to any option to purchase or similar rights and constitute all of the issued shares in that Obligor; (iii) the constitutional documents of any Obligor the shares in which are expressed to be subject to Transaction Security do not restrict or inhibit any transfer of those shares on creation or would not restrict or inhibit any transfer of those shares on enforcement of the Transaction Security; and (iv) all deeds and documents necessary to show good and marketable title to the relevant Propco's interests in the Properties will from the First Utilisation Date be: (A) in possession of the Security Agent; or (B) held at the applicable Land Registry to the order of the Security Agent; or (C) held to the order of the Security Agent by a firm of solicitors approved by the Security Agent for that purpose.
- (w) *JPUT Trustees, JPUTs and JPUT Units*. (i) each JPUT Trustee has the power to own the relevant JPUT Unit Trust Fund in accordance with the relevant JPUT Unit Trust Instrument and to carry on the business of that JPUT as it is being conducted in accordance with the relevant JPUT Unit Trust Instrument and the Finance Documents, (ii) each JPUT Trustee has been validly appointed as trustee of the relevant JPUT and is either licensed pursuant to the Financial Services (Jersey) Law 1998 to carry on trust company business (as defined therein) or is exempted from such licensing; (iii) the JPUT Unitholders in respect of each JPUT have

unanimously authorised and directed the relevant JPUT Trustee to apply all relevant JPUT Income in accordance with the terms of the Finance Documents, (iv) each JPUT is duly established and validly constituted under the laws of Jersey and has at all times since its date of establishment continued to be a validly existing unit trust, (v) each JPUT is and always has been a unit trust scheme within the meaning of Section 237(1) of the Financial Services and Markets Act 2000 and (vi) each JPUT Trustee party to the Senior Facilities Agreement is the only trustee of the relevant JPUT.

- (x) *Jersey regulation.* (i) each JPUT Trustee has obtained all consents required of it (if any) in respect of the relevant JPUT pursuant to the Control of Borrowing (Jersey) Order 1958 and has at all times complied with all conditions attached to such consents, (ii) no JPUT Trustee is required to hold a certificate pursuant to the Collective Investment Funds (Jersey) Law 1988 by reason of it being trustee of the relevant JPUT, (iii) no JPUT Trustee is carrying on any unauthorised financial services business as defined in the Financial Services (Jersey) Law 1998, (iv) no JPUT (acting via its trustees) intends to acquire capital by means of an offer to the public of JPUT Units in that JPUT and no such offer to the public has been made by the JPUT Trustees; and (iv) no JPUT is required to be registered under the Banking Business (Jersey) Law 1991.
- (y) *Ongoing trust matters.* (i) each JPUT Trustee (A) has complied and continues to comply with the relevant JPUT Unit Trust Instrument, (B) is not in default of its duties or obligations (including its fiduciary duties and obligations) to the relevant JPUT Unitholders under the relevant JPUT Unit Trust Instrument and it is not guilty of any negligence, fraud or wilful misconduct for such duties and obligations under the relevant JPUT Unit Trust Instrument; (C) represents, in respect of the relevant JPUT Unit Trust Fund, that: (1) it is the only trustee and legal owner of that JPUT Unit Trust Fund; (2) as far as it is aware, no person other than the applicable JPUT Trustee(s) has a legal interest in that JPUT Unit Trust Fund and no person other than the Finance Parties pursuant to the Finance Documents and the relevant JPUT Unitholders have a beneficial interest in that JPUT Unit Trust Fund; (D) represents that no JPUT Unitholder is in possession of, nor (save as provided by the JPUT Unit Trust Instrument) has any right to possess, any part of the relevant JPUT Unit Trust Fund; (E) represents that no resolution has been passed or direction been given by the relevant JPUT Unitholders or any JPUT Trustee for the winding up or termination of the relevant JPUT or distribution of any part of the relevant JPUT Unit Trust Fund; and (F) represents that no resolution has been passed or direction or notice been given removing it as trustee of the relevant JPUT; and (ii) each JPUT Unit Trust Instrument is in full force and effect.
- (z) *English Limited Partnership matters.* (i) the relevant English LP General Partners are the (only) general partners of the relevant English Limited Partnership, (ii) each English LP General Partner: (A) has not given notice to terminate the relevant English Limited Partnership Agreement; and (B) is not aware of any material breach or default under the relevant English Limited Partnership Agreement, (ii) each English LP Limited Partner (A) has not given notice to terminate the relevant English Limited Partnership Agreement; and (B) is not aware of any material breach or default under the relevant English Limited Partnership Agreement; and (iii) the relevant English Limited Partnership Agreement contains all the material terms of the agreement and arrangements between the relevant English LP Limited Partner and the relevant English LP General Partner in relation to the relevant English Limited Partnership.
- (aa) *Sanctions:* None of it or its Subsidiaries, officers, directors, employees or any other persons acting on behalf of any of the foregoing: (A) is a Sanctions Restricted Party; (B) has engaged in any transaction or conduct that could result in it becoming a Restricted Party (including, without limitation, conduct sanctionable under the U.S. Iran Sanctions Act of 1996, as amended, the U.S. Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, Executive Order 13590, or the Iran Financial Sanctions Regulations, 31 C.F.R. Part 561); (C) directly or indirectly, has

conducted or is conducting any trade, business or other activities with or for the benefit of any Sanctions Restricted Party; (D) has engaged or is engaging in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to breach, any of the prohibitions set forth in any Sanctions; or (E) has received notice of, nor is otherwise aware of, any Sanctions Claim involving it with respect to Sanctions.

- (ii) Its operations have been at all times since the date of completion of the Acquisition, conducted in compliance with Anti-Money Laundering Laws, and it has not received notice or, nor is otherwise aware of, any Sanctions Claim involving it with respect to Anti-Money Laundering Laws.
- (bb) *Anti-corruption:* None of its or its Subsidiaries, officers, directors, or employees, and any other persons acting on behalf of any of the foregoing, has:
 - (i) violated or is in violation of any applicable anti-bribery or anti-corruption law or regulation enacted in any jurisdiction whether in connection with or arising from the OECD Convention Combating Bribery of Foreign Public Officials in International Business Transactions or otherwise, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act (together, "**Anti-Corruption Laws**");
 - (ii) made, received, offered to make or receive, promised to make or authorised the payment or giving/receipt of, directly or indirectly, any bribe, rebate, payoff, influence payment, kickback or other payment or gift of money or anything of value (including meals or entertainment) any person while knowing that all or some portion of the money or value will be offered, given, promised or received by anyone to improperly influence official action, to obtain or retain business or otherwise to secure any improper advantage ("**Sanctions Prohibited Payments**"); or
 - (iii) been subject to any Sanctions Claim with regard to any actual or alleged Sanctions Prohibited Payment.

Information Undertakings

The Company and the Obligors (as applicable) give, among others, the undertakings in relation to the following items which shall remain in force from the date of the Senior Facilities Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force:

- (a) *Financial statement:* the Company shall deliver to the Facility Agent as soon as they are available, but in any event within 180 days of the end of each of the Company's Financial Years ending after the Utilisation Date, a copy of the Group's (or any person which owns 100% of the Group and consolidates the whole of the Group and no other operating entities or properties within its financial statements) unaudited consolidated financial statements for that Financial Year.
- (b) *Compliance Certificate:* the Company shall deliver a Compliance Certificate (signed by an authorised signatory) to the Facility Agent on each day falling five Business Days before each Underlying Loan Interest Payment Date.
- (c) *Property information:* the Company agrees to deliver a Quarterly Management Report on each day falling five Business Days before each Underlying Loan Interest Payment Date.
- (d) *"Know your customer" checks:* if there is (i) the introduction of or any change in any law or regulation made after the date of the Senior Facilities Agreement, (ii) a change of status of an Obligor or change of composition of the shareholders of an Obligor after the date of the Senior Facilities Agreement, or (iii) a proposed assignment or transfer by an Underlying

Borrower of any of its rights and obligations under the Senior Facilities Agreement, then each Obligor shall on request by the Facility Agent or the Lender supply such documentation or evidence required to comply with "know your customer" or other similar identification procedures.

- (e) *Information: miscellaneous:* each Obligor agrees to: (i) provide the details of any litigation, arbitration or administrative proceedings or any Environmental Claim which is current, threatened or pending against any member of the Group and which is reasonably likely to have a Material Adverse Effect, (ii) provide all non-administrative documents dispatched by any member of the Group to its shareholders, (iii) promptly and in any event within five Business Days of making a PMA Change (as defined in the Senior Facilities Agreement) or entering into any New Property Management Agreement, provide a copy of the amended Property Management Agreement or New Property Management Agreement, as applicable and (iv) provide such further information in relation to the financial condition, business and operations of any Obligor as any Finance Party may reasonably request.
- (f) *Notification of Default:* notifying the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of the occurrence of its occurrence.

Financial Covenants

Loan to value

On each LTV Ratio Test Date, each Obligor shall ensure that the LTV Ratio is not greater than (i) in respect of an LTV Ratio Test Date falling on or prior to 17 May 2019, 85 per cent.; (ii) in respect of an LTV Ratio Test Date falling after 17 May 2019 but on or prior to 17 May 2020, 80 per cent.; and (iii) in respect of an LTV Ratio Test Date falling after 17 May 2020 but on or prior to the Final Repayment Date, 75 per cent. (the "**LTV Covenant**").

Projected ICR

On each Underlying Loan Interest Payment Date, each Obligor must ensure that the Projected ICR is not less than 1.15:1 (the "**Projected ICR Covenant**").

Testing of Financial Covenants

The LTV Covenant and the Projected ICR Covenant are tested by reference to the information contained in the relevant Compliance Certificate and, in respect of the LTV Covenant only, by reference to the most recent Valuation delivered prior to the date of that Compliance Certificate in accordance with the terms of the Senior Facilities Agreement.

Equity Cure

If, on any LTV Ratio Test Date or on any Underlying Loan Interest Payment Date (as applicable), the LTV Covenant or the Projected ICR Covenant are not met, the Company may, within 20 Business Days of that LTV Ratio Test Date or that Underlying Loan Interest Payment Date, as applicable:

- (a) procure the prepayment of the Underlying Loans; or
- (b) with respect to a breach of the LTV Covenant, deposit in the Equity Cure Account an amount (a "**LTV Equity Cure Amount**") sufficient (but not more than the amount required) to ensure that when taking into account such prepayment or deposit in the calculation of the LTV Ratio the LTV Covenant would be met; or
- (c) with respect to a breach of the Projected ICR Covenant, deposit in the Interest Ledger Sub-Account an amount (an "**ICR Equity Cure Amount**") sufficient (but not more than the

amount required) to ensure that when taking into account such prepayment or deposit the Projected ICR Covenant would be met.

The cure rights set out above may:

- (1) not be exercised in respect of more than two consecutive Underlying Loan Interest Payment Dates; and
- (2) only be exercised a maximum of four times in aggregate during the life of the Facilities.

General Undertakings

The Obligors have given customary undertakings in relation to themselves, the Property and the Finance Documents, which shall remain in force from the date of the Senior Facilities Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force. Certain of these undertakings broadly include the following:

- (a) *Authorisations, compliance:* each Obligor shall comply with all Authorisations required under law or regulation of a Relevant Jurisdiction and all laws and Environmental Law applicable to each Property.
- (b) *Sanctions:* no Obligor shall engage in any activities in breach of any Sanctions and each Obligor shall comply with all applicable anti-money laundering and anti-corruption laws.
- (c) *Merger:* no Obligor to enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than with the consent of the Facility Agent (acting on the instructions of the Majority Lenders).
- (d) *Conduct of Business:*
 - (i) each Pledgeco to procure that no substantial change is made to the general nature of the business of the Group from that carried on by the Group on 17 May 2016; and
 - (ii) each Holdco to conduct the business of acquiring, owning, managing, financing, developing and letting their respective Properties and related activities in any manner which is not prohibited by the Finance Documents.
- (e) *Material contracts:* no Obligor shall enter into any material contracts without the prior written consent of the Facility Agent (acting on the instruction of the Majority Lenders (not to be unreasonably withhold or delayed)) other than any Transaction Document, permitted agreements under the Finance Documents or any agreement consistent with its business.
- (f) *Pari Passu ranking:* each Obligor shall ensure that its payment obligations under the Finance Documents shall rank at all times pari passu with its unsecured and unsubordinated creditors except for obligations mandatorily preferred by law applying to companies and limited partnerships (as applicable) generally.
- (g) *COMI:* no Obligor shall permit its Centre of Main Interests to be in any jurisdiction other than its jurisdiction of incorporation or formation.
- (h) *Acquisitions:* subject to certain exceptions, no Obligor shall acquire a company, any shares, business, undertaking or real estate assets from any person or incorporate a company, partnership, firm or any other form of corporation or organisation.
- (i) *Negative Pledge:* subject to certain exceptions, no Obligor shall create nor permit to subsist any Security over the whole or any part of its assets.

- (j) *Disposals*: subject to certain exceptions, no Obligor to enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary, to dispose of the whole or any part of its assets.
- (k) *Arm's length basis*: subject to certain exceptions, no Obligor shall enter into a transaction except on arm's length terms.
- (l) *No Guarantees or indemnities*: subject to certain exceptions, no Obligor to incur or allow to remain outstanding any guarantee or indemnity in respect of Financial Indebtedness.
- (m) *Dividends, distributions and share redemption*: subject to certain exceptions, no Obligor shall (i) declare or pay any dividend, charge, fee or other distribution to any of its shareholders or make any payments in respect of Financial Indebtedness owed to any of its shareholders; (ii) make any payment of any kind in respect of any Investor Debt; (iii) repay or distribute any dividend or share premium reserve; or (iv) redeem, repurchase or repay any of its share capital.
- (n) *Financial Indebtedness*: no Obligor to incur or have outstanding any Financial Indebtedness to any person, subject to certain exceptions.
- (o) *Loan or credits*: subject to certain exceptions, no Obligor to be a creditor in respect of any Financial Indebtedness.
- (p) *Share capital and status*: subject to certain exceptions, no Obligor shall issue any stock, share, debentures or other securities or subscribe to any stock or share if only partly paid up or subject to any call or lien.
- (q) *Property Managements Agreements*: subject to certain exceptions, each Obligor shall comply with its obligations under each Property Management Agreement to which it is a party.
- (r) *Taxes*: each Obligor to pay all material Taxes payable by, or assessed upon, it not later than the date on which such Taxes are required to be paid in order to avoid any liability to interest and penalties, subject to certain exceptions.
- (s) *Treasury Transactions*: other than in accordance with the hedging provisions of the Senior Facilities Agreement, no Obligor shall enter into a Treasury Transaction.
- (t) *VAT*: each Propco shall (once registered) remain registered for United Kingdom VAT and no Obligor shall be a member of a VAT Group other than a VAT Group made up solely of Obligors, without the prior written consent of the Facility Agent (acting on the instruction of the Majority Lenders).

Property Undertakings

The undertakings set out below are broadly given by the Obligors under the Senior Facilities Agreement and the remain in force for so long as any amount of the Secured Liabilities is outstanding under the Finance Documents or any commitment is in force:

- (a) *Planning*: each Obligor agrees to comply with any conditions attached to any planning permissions and with any Statutory Undertakings and any agreement or undertaking under any Planning Laws relating to the Property owned by it and agrees that it will not carry out any material development on any Property or make any material change in use of any Property unless this is permitted according to the Senior Facilities Agreement.
- (b) *Title*: each Obligor shall exercise its rights and comply in all material respects with, and enforce, any covenant, stipulation or obligation at any time affecting its Property and not waive, release or vary such obligations of any other party thereto, promptly take all steps to

enable Security to be validly registered at any land registry and observe and perform all the covenants on the part of the landlord in the Occupational Leases.

- (c) *Occupational Leases*: no Obligor shall conduct any Letting Activity, other than a Permitted Letting Activity, until it has the prior written consent of the Facility Agent acting on the instructions of the Majority Lenders. Each Obligor shall or shall procure that the Property Manager on its behalf collects all Rental Income, enforces tenants obligations, implements the provisions of Occupational Leases, promptly delivers any amendments to an Occupational Lease or rent review, find tenants for vacant lettable space.
- (d) *Headleases*: each Obligor agrees to observe and perform in all material respects all covenants on the lessee under the Headlease, ensure that each tenant under an Occupational Lease complies with its obligations under the Headlease, apply for relief against forfeiture of the Headlease if required by the Facility Agent, not waive or release any material obligation or exercise any option to break or determine the Headlease without the prior written consent of the Facility Agent and not agree to any increase in rent payable under the Headlease without the prior written consent of the Facility Agent.
- (e) *Compulsory purchase*: the Company agrees to notify the Facility Agent promptly if any material part of any Properties is compulsorily purchased or an order for compulsory purchase is served on any Obligor.
- (f) *Repair*: each Obligor shall repair and keep in good and substantial repair and condition any Properties owned by it as required in accordance with good estate management.
- (g) *Capital Expenditure and Alterations*: no Obligor shall without the prior written consent of the Facility Agent:
 - (i) effect, carry out or permit any demolition, reconstruction, redevelopment or rebuilding of or any structural alteration to any Property; or
 - (ii) incur capital expenditure in respect of works of alteration, addition, maintenance, repair, improvement, refurbishment and/or extension to any Property,(each a "**Capex Project**") unless such Capex Project is a Permitted Capex Project.
- (h) *Notices*: each Obligor agrees to promptly give reasonable details to the Facility Agent of any notice or proposal applying to any Property or to the area in which it is situated and requiring action by that Obligor from any public body or authority pursuant to the Planning Laws or powers conferred by any other law. If such action is not taken by that Obligor, the Facility Agent can remedy the non-compliance at the Obligor's expense.
- (i) *Pay rents charges and Taxes*: each Obligor shall pay and indemnify the Facility Agent on demand against all existing and future rents, Taxes, fees, renewal fees, charges, assessments, impositions and outgoings whatsoever which are payable in respect of any Property.
- (j) *Entry and power to inspect and remedy breaches*: if any Obligor fails or is considered by the Facility Agent to have failed to have performed any of its property undertaking set out in the Senior Facilities Agreement or an Event of Default is continuing, the Facility Agent may by giving three Business Days' prior notice to the Company enter the relevant Property and inspect the Properties and/or execute such works and take such steps as may, in the reasonable opinion of the Facility Agent, be required to remedy or rectify any such failure.
- (k) *Insurance*: each Obligor shall effect and maintain or ensure that there is effected and maintained all insurances required in respect of the Properties pursuant to the Senior Facilities Agreement.

- (l) *Valuation*: the Facility Agent may instruct a Valuer to prepare and issue a Valuation (i) once in every 12 Month period provided that the Facility Agent may not instruct a Valuer to prepare and issue a Valuation under this (i) until 17 May 2016 or (ii) if a Default is continuing. The Company must on demand by the Facility Agent pay the costs of all such Valuations.
- (m) *Major Capex Programmes*: The Underlying Borrowers shall ensure that by 17 April 2021, Practical Completion (as defined in the Senior Facilities Agreement) in respect of each Major Capex Programme has occurred. No Capex Project in respect of any Major Capex Programme may be commenced unless any planning permissions required under relevant Planning Laws have been obtained. Prior to Practical Completion of a Major Capex Programme, each Obligor must (i) ensure each of the Facility Agent and the relevant Project Monitor (as defined in the Senior Facilities Agreement) and any of their respective officers, employees and agents is granted access to the Properties (on reasonable prior written notice); (ii) deliver to the Facility Agent or the relevant Project Monitor (as applicable) promptly after request such material information in relation to each Major Capex Programme as the Facility Agent or the relevant Project Monitor (as applicable) may reasonably request; (iii) deliver to the relevant Project Monitor such information in relation to each Major Capex Programme as the relevant Project Monitor may reasonably request for the purpose of completing its monthly report to the Lenders; and (iv) convene meetings in respect of each Major Capex Programme including meetings and inspections that are to be held for the purposes of granting Practical Completion in respect of that Major Capex Programme. From the month in which a Major Capex Programme or a Minor Capex Programme (as defined in the Senior Facilities Agreement) is commenced until the end of the calendar month in which Practical Completion of that Major Capex Programme or Minor Capex Programme occurs, the Company shall procure that (a) VAT Returns (as defined in the Senior Facilities Agreement) are submitted to HMRC in respect of expenditure under the Major Capex Programme; (b) each VAT Return nominates the relevant Major Capex Account or the Minor Capex Account as the account for payment of any refund of VAT Recovery Payments as defined in the Senior Facilities Agreement); and (c) upon request of the Facility Agent, promptly provide evidence to the Facility Agent of the filing of each VAT Return.

Events of default

Each of the events or circumstances summarised below is an Event of Default under the Senior Facilities Agreement.

Non-payment

The non-payment by a Transaction Obligor of any amount payable by it pursuant to a Finance Document unless the failure to pay is caused by an administrative or technical error and is remedied within three Business Days or unless the Facility Agent fails to make a payment out of any Control Account (in respect of which the Facility Agent has signing rights) in accordance with the terms of the Senior Facilities Agreement in circumstances where the those accounts contained sufficient funds to make all due and payable payments under the Finance Documents.

Financial Covenants

The LTV Covenant or the Projected ICR Covenant is not complied with unless cured in accordance with the Senior Facilities Agreement.

Breach of certain other obligations

An Obligor does not comply with certain of its obligations and undertaking set out in the Senior Facilities Agreement including those related to hedging, the provision and contents of a Compliance Certificate, restrictions on mergers, negative pledge restrictions, disposals, Financial Indebtedness, Treasury Transactions, headleases, insurance and valuations.

Other Obligations

A Transaction Obligor does not comply with any other provision of the Finance Documents (other than those summarised above in respect of a non-payment, financial covenants and breach of certain other obligations) or any Hedge Document unless the failure to comply is capable of remedy and is remedied within 21 days of the earlier of (i) the Facility Agent giving notice to the Company of such failure and (ii) any Transaction Obligor becoming aware of the failure to comply.

Misrepresentation

Any representation or statement of a Transaction Obligor in the Finance Documents, any Hedge Document or in any other document delivered by it under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect unless the failure to comply is capable of remedy and is remedied within 21 days of the earlier of (i) the Facility Agent giving notice to the Company of such failure and (ii) any Transaction Obligor becoming aware of the failure to comply.

Cross default

An Event of Default in respect of a cross default will occur under the Senior Facilities Agreement (subject to the aggregate threshold amount set out below being breached) if:

- (a) Any Financial Indebtedness of any Obligor is not paid when due (after the expiry of any originally applicable grace period).
- (b) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of any Obligor as a result of an event of default (however described).
- (d) Any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of any Obligor due and payable prior to its specified maturity as a result of an event of default (however described).

No Event of Default will occur under paragraphs (a) to (d) if the aggregate amount of the Financial Indebtedness falling within paragraphs (a) to (d) (inclusive) above is less than £1,000,000 (or its equivalent in another currency or currencies).

Insolvency

Any Obligor is or is deemed unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts or insolvent under applicable law, ceases or suspends making payments on any of its debts or announces any intention to do so (or is so deemed for the purposes of any law applicable to it) or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (other than any Finance Party) with a view to rescheduling any of its indebtedness or a moratorium is declared in respect of any indebtedness of any Obligor.

Insolvency proceedings

Any corporate action, legal proceedings or other formal procedure or steps are taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor;
- (b) a composition, compromise, assignment or arrangement with any creditor (other than any Finance Party) of any Obligor for reasons of that Obligor's financial difficulty;
- (c) the appointment of a provisional liquidator, a liquidator, receiver, administrative receiver, administrator, compulsory or interim manager or other similar officer in respect of any Obligor or any of its assets; or
- (d) the termination of a JPUT; or
- (e) enforcement of any Security over any assets of any Obligor.

Any analogous procedure or step to those referred to in paragraph (a) in respect of an Obligor is taken in any jurisdiction.

Paragraphs (a) and (b) shall not apply to any proceedings or actions which are frivolous or vexatious and contested in good faith and discharged, stayed, recalled or dismissed within 21 days of commencement.

Creditors' process

Any creditors' process affects any asset or assets of an Obligor and such creditors' process has an aggregate value in excess of £1,000,000 (or its equivalent in other currencies) and is not discharged, stayed or dismissed within 21 days of commencement.

Unlawfulness and invalidity

It is or becomes unlawful for any party (other than any Finance Party) to perform any of its obligations under the Finance Documents or any Transaction Security ceases to be effective or is or becomes unlawful.

Any material obligation or material obligations of any party (other than any Finance Party) under any Finance Document cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Finance Parties under the Finance Documents.

Any Finance Document ceases to be in full force and effect or any Transaction Security becomes unlawful or ineffective against or is alleged by a party to it (other than a Finance Party) to be ineffective or, subject to the Legal Reservations and Perfection Requirements, ceases to be legal, valid, binding or enforceable.

Repudiation

Any Transaction Obligor repudiates a Finance Document to which it is a party or any of the Transaction Security to which it is a party or evidences an intention to repudiate a Finance Document or any Transaction Security to which it is a party.

Cessation of business

The Group taken as a whole ceases (or threatens to cease) to carry on all or a substantial part of its business.

Litigation

Any litigation or dispute is commenced or threatened against any Obligor or its assets which is reasonably likely to be adversely determined against that Obligor or its assets and if so adversely determined would have a Material Adverse Effect.

Compulsory purchase

Any Expropriation occurs which would have a Material Adverse Effect.

Major damage

Any part of any Property is destroyed or otherwise damaged which has a Material Adverse Effect.

Headlease

Forfeiture proceedings with respect to the Headlease are commenced or the Headlease is forfeited and such commencement or forfeiture would have a Material Adverse Effect.

Material adverse effect

Any event or circumstance occurs which in the opinion of the Majority Lenders (acting reasonably and in good faith) has a Material Adverse Effect.

Partnership

An English Limited Partnership Agreement is not in full force and effect.

An English LP General Partner withdraws or takes steps to withdraw from the relevant Underlying Borrower.

An English Limited Partner agrees to or otherwise permits (other than with the prior written consent of the Lenders or otherwise in accordance with the Finance Documents) any admission of new limited partners of the relevant Underlying Borrower.

Acceleration

On or at any time after the occurrence of an Event of Default which is continuing, the Facility Agent may, and shall, if so directed by the Majority Lenders, by written notice to the Company:

- (a) cancel the Total Commitments whereupon they shall immediately be cancelled and any fees payable under the Finance Documents in connection with the Commitments shall be immediately due and payable;
- (b) declare that all or part of the Underlying Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (c) declare that all or part of the Underlying Loans be payable on demand, whereupon they shall immediately become payable on demand by the Facility Agent on the instructions of the Majority Lenders;
- (d) enforce or direct the Security Agent to enforce the Transaction Security or exercise any or all of its rights, remedies, powers or discretions under any of Finance Documents; and/or

- (e) provide an estimate, made in good faith, of any amount which, in its reasonable opinion, is likely to become due and payable from any Obligor pursuant to any guarantee or indemnity given under the Senior Facilities Agreement and declare that amount to be immediately due and payable or to be payable on demand, at which time such sum shall become immediately due and payable or, as the case may be, payable on demand.

Description of the Transaction Security Documents

The obligations of the Obligors under the Finance Documents are secured by the following security interests under the Transaction Security Documents governed under English, Luxembourg, Scottish and Jersey law.

English law security

The English law security agreement is a composite debenture dated 18 October 2016 between each Obligor and the Security Agent (the "**English Security Document**").

- (a) Under the debentures each Obligor, broadly, granted the following security:
- (b) a first legal mortgage of all estates or interests in any freehold or leasehold property owned by it;
- (c) to the extent not covered by a mortgage (as outlined in (a) above), a first fixed charge of all estates or interests in any freehold or leasehold property at that time or subsequently owned by it;
- (d) a first fixed charge of its interests in all shares, stocks, debentures, bonds or other securities or investments owned by it or held by any nominee on its behalf;
- (e) a first fixed charge of all plant and machinery owned by it and its interest in any plant or machinery in its possession;
- (f) a first fixed charge of all its rights in respect of any amount standing to the credit of any account held by it;
- (g) a first fixed charge of:
 - (i) all of its book and other debts;
 - (ii) all other moneys due and owing to it;
 - (iii) all amounts which it may receive, or has received, under any document where the rights of an Obligor cannot be secured without the consent of a party to that document; and
 - (iv) the benefit of all rights, securities or guaranteed of any nature enjoyed or held by it in relation to any item under sub-paragraph i., ii. or iii. above;
- (h) a first fixed charge of all of its rights under any collateral warranty entered into in favour of an Obligor, each Major Capex Contract (as defined in the Senior Facilities Agreement) and each development agreement, development management agreement, building contract, minor work order, purchase order, sub-contract, trade contract and professional appointment in each case entered into by an Obligor or in respect of which an Obligor has a beneficial interest;
- (i) an assignment, subject to the proviso for re-assignment on redemption, of all of its rights under any contract of insurance and all monies payable to it under or in respect of such contracts of insurance;

- (j) an assignment, subject to the proviso for re-assignment on redemption, of all its rights under any Hedge Document;
- (k) an assignment, subject to the proviso for re-assignment on redemption, of all its rights under each Lease, in respect of all Rental Income, under any guarantee of Rental Income contained in or relating to any Occupational Lease, under each asset management agreement to which it is a party, under each Property Management Agreement to which it is a party, under any agreement relating to the purchase of the Property by that Obligor including, without limitation, any acquisition agreement and under any other agreement to which it is a party except to the extent that it is subject to any fixed security created under any terms of the relevant English Security Document;
- (l) a first fixed charge of any beneficial interest, claim or entitlement it has in any pension fund, its goodwill, the benefit of any Authorisation held in connection with its use of any asset secured pursuant to the English Security Document entered into by it, the right to recover and receive compensation which may be payable to it in respect of any such Authorisation and its uncalled capital;
- (m) a first floating charge over all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment pursuant to the relevant English Security Document by an Obligor, except for any assets subject to any security interest created by, under or pursuant to any other Transaction Security Document.

The security created under the English Security Document is held on trust by the Security Agent for the Finance Parties.

Jersey law security

The Jersey law security agreement is a security interest agreement dated 18 October 2016 between Rhino 1 S.à r.l., Rhino 2 S.à r.l., Cutlers Gardens Jersey (No. 1) Trustee Limited, Cutlers Gardens Jersey (No. 1) Trustee Limited, CG Cutlers Gardens (UK) No. 1 Limited, CG Cutlers Gardens (UK) No. 2 Limited, CG Shield House (UK) No. 1 Limited, CG Shield House (UK) No. 2 Limited, CG Cutlers Gardens Limited Partnership, CG Shield House Limited Partnership, CG Cutlers Gardens (Jersey) Limited, CG Cutlers Gardens (Jersey) 2 Limited, CG Shield House (Jersey) Limited, CG Shield House (Jersey) 2 Limited, CG Courtyard (Jersey) Limited, Cutlers Gardens Estates Limited and Hatfield Philips Agency Services Limited (the "**Jersey Security Document**").

Under the Jersey Security Document each Obligor, in its capacity as a grantor (the "**Grantors**"), has created security in favour of the Security Agent under the Security Interests (Jersey) Law 2012 over all of its present and future intangible movable property located in Jersey or otherwise subject to Jersey law.

Pursuant to the Jersey Security Document the Grantors will create:

- (a) a first priority security interest in the relevant Grantor's collateral (which, subject to certain exclusions, broadly includes, as the case may be, its rights under intercompany loan agreements, shares held by it in companies or unit trusts (including in other members of the Group incorporated in Jersey), all of its rights under any other loan agreement, any deposit account or securities accounts owned by the relevant Grantor, any rights a Grantor against a custodian (including any right under a custody agreement to deliver or redeliver property or assets the subject of that agreement), any beneficial interest in securities pursuant to a custody agreement and all derivative assets, income, dividends, receivables and interest, in each case attributable to the any of the foregoing rights of a Grantor) (the "**Collateral**"); and

- (b) to the extent the Collateral comprises or shall from time to time comprise receivables, an assignment of all the Grantor's right, title and interest in such receivables to the Security Agent.

Scottish law security

The Scottish law security agreement is a share pledge in respect of the shares in Cutlers Garden Estates Limited dated 18 October 2016 between CG Cutlers Gardens Limited Partnership and Hatfield Philips Agency Services Limited (the "**Scottish Security Document**").

Under the Scottish Security Document CG Cutlers Gardens Limited Partnership, in its capacity as chargor (the "**Chargor**"), has created security in favour of the Security Agent over all of its right, title and interest in the shares in the capital of the Cutlers Gardens Estates Limited and all rights derived therefrom and undertaken to pledge and assign to the Security Agent all its right, title and interest in any shares (or other securities derived from any shares) in the capital of the Cutlers Gardens Estates Limited (other than those covered above) in which the Chargor has any interest from time to time (and any rights derived therefrom) to which it becomes entitled after the date of the Scottish Security Document.

Luxembourg law security

The Luxembourg law security agreements are as follows:

- (a) an account pledge agreement dated 18 October 2016 between Rhino 1 S.à r.l., Rhino 2 S.à r.l. and Hatfield Philips Agency Services Limited (the "**Account Pledge Agreement**");
- (b) a receivables pledge agreement dated 18 October 2016 between Rhino Holdco S.à r.l., Rhino 1 S.à r.l., Rhino 2 S.à r.l. and Hatfield Philips Agency Services Limited (the "**Topco Receivables Pledge Agreement**");
- (c) a receivables pledge agreement dated 18 October 2016 between Rhino 1 S.à r.l., Rhino 2 S.à r.l., Cutlers Gardens Jersey (No. 1) Trustee Limited, CG Cutlers Gardens (UK) No. 1 Limited, CG Cutlers Gardens (UK) No. 2 Limited, CG Shield House (UK) No. 1 Limited, CG Shield House (UK) No. 2 Limited, CG Cutlers Gardens Limited Partnership, CG Shield House Limited Partnership, CG Cutlers Gardens (Jersey) Limited, CG Cutlers Gardens (Jersey) 2 Limited, CG Shield House (Jersey) Limited, CG Shield House (Jersey) 2 Limited, CG Courtyard (Jersey) Limited, Cutlers Gardens Estates Limited and Hatfield Philips Agency Services Limited (the "**Pledgeco Receivables Pledge Agreement**");
- (d) a share pledge agreement dated 18 October 2016 between Rhino Holdco S.à r.l., Rhino 1 S.à r.l. and Hatfield Philips Agency Services Limited (the "**Rhino 1 Share Pledge Agreement**"); and
- (e) a share pledge agreement dated 18 October 2016 between Rhino Holdco S.à r.l., Rhino 2 S.à r.l. and Hatfield Philips Agency Services Limited (the "**Rhino 2 Share Pledge Agreement**"),

(together, the "**Luxembourg Security Documents**").

Under the Account Pledge Agreement, Rhino 1 S.à r.l. and Rhino 2 S.à r.l., in their capacity as pledgors (the "**Pledgors**"), have agreed to pledge and have pledged continuing first ranking security for the due and full payment, discharge and performance of the Secured Liabilities, all the Security Assets held, or deposited in, or standing to the credit of, at any time, the Accounts held by that Pledgor to, and in favour of Hatfield Philips Agency Services Limited.

Where:

"**Account Bank**" means ING Luxembourg S.A.;

"Accounts" means the General Accounts and any Future Accounts;

"Future Accounts" means any bank accounts (including, for the avoidance of doubt and without limitation, any sub-account, renewal, redesignation and replacement thereof) opened in the name of a Pledgor with the Account Bank after the date of the Account Pledge Agreement, any such future account at the time of being opened being designated by the parties as a General Account;

"General Accounts" means the bank accounts (including, for the avoidance of doubt and without limitation, any sub-account, renewal, redesignation and replacement thereof) opened in the name of, and held by, the relevant Pledgor with the Account Bank as specified in Schedule 2 to the Account Pledge Agreement and any relevant Future Accounts; and

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever and whether originally incurred by an Obligor or by some other person) of each Obligor to the Finance Parties (or any of them) under each of the Finance Documents.

"Security Assets" means all the monies, claims, rights, title, interest and other assets standing to the credit of the Accounts at any time, in whatever currency, including any property, interest or revenue accrued thereon as well as any other claims or rights the Pledgors may have against the Account Bank in relation to the Accounts.

Under the Topco Receivables Pledge Agreement, each of Rhino Holdco S.à r.l., Rhino 1 S.à r.l. and Rhino 2 S.à r.l., in their capacity as pledgors (the **"Pledgors"**), has agreed to pledge and has pledged continuing first ranking security for the due and full payment, discharge and performance of the Secured Liabilities, all its claims, rights, title and interest in the Receivables owed to it to, and in favour of, Hatfield Philips Agency Services Limited.

Where:

"Receivables" means any and all present and future Luxembourg law governed receivables, claims or monies regardless of the nature thereof (including, without limitation, principal, interest, default interest, commissions, expenses, costs and indemnities), in any currency or currencies, whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever and whether subordinated or not, owed from time to time by each of Rhino 1 S.à r.l. and Rhino 2 S.à r.l. to each Pledgor, except for any Receivables owed by Rhino 1 S.à r.l. to Rhino 2 S.à r.l. and by Rhino 2 S.à r.l. to Rhino 1 S.à r.l..

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever and whether originally incurred by an Obligor or by some other person) of each Obligor to the Finance Parties (or any of them) under each of the Finance Documents.

Under the Pledgeco Receivables Pledge Agreement, each Pledgor has agreed to pledge and has pledged continuing first ranking security for the due and full payment, discharge and performance of all present and future obligations and liabilities of each Obligor to the Finance Parties under each of the Finance Documents, all its claims, rights, title and interest in the Receivables owed to it to, and in favour of, Hatfield Philips Agency Services Limited.

Where:

"Debtors" means each of Rhino 1 S.à r.l., Rhino 2 S.à r.l., Cutlers Gardens Jersey (No. 1) Trustee Limited, Cutlers Gardens Jersey (No. 1) Trustee Limited, CG Cutlers Gardens (UK) No. 1 Limited, CG Cutlers Gardens (UK) No. 2 Limited, CG Shield House (UK) No. 1 Limited, CG Shield House (UK) No. 2 Limited, CG Cutlers Gardens Limited Partnership, CG Shield House Limited Partnership, CG Cutlers Gardens (Jersey) Limited, CG Cutlers Gardens (Jersey) 2 Limited, CG Shield House

(Jersey) Limited, CG Shield House (Jersey) 2 Limited, CG Courtyard (Jersey) Limited and Cutlers Gardens Estates Limited;

"Pledgors" means each of Rhino 1 S.à r.l., Rhino 2 S.à r.l., Cutlers Gardens Jersey (No. 1) Trustee Limited, Cutlers Gardens Jersey (No. 1) Trustee Limited, CG Cutlers Gardens (UK) No. 1 Limited, CG Cutlers Gardens (UK) No. 2 Limited, CG Shield House (UK) No. 1 Limited, CG Shield House (UK) No. 2 Limited, CG Cutlers Gardens Limited Partnership, CG Shield House Limited Partnership, CG Cutlers Gardens (Jersey) Limited, CG Cutlers Gardens (Jersey) 2 Limited, CG Shield House (Jersey) Limited, CG Shield House (Jersey) 2 Limited, CG Courtyard (Jersey) Limited and Cutlers Gardens Estates Limited; and

"Receivables" means any and all present and future Luxembourg law governed receivables, claims or monies regardless of the nature thereof (including, without limitation, principal, interest, default interest, commissions, expenses, costs and indemnities), in any currency or currencies, whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever and whether subordinated or not, owed from time to time by each Debtor to each Pledgor, except for any Receivables which are the subject of any Security Interest (as defined in the Jersey Security Document) created by, under or pursuant to the Jersey Security Document.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever and whether originally incurred by an Obligor or by some other person) of each Obligor to the Finance Parties (or any of them) under each of the Finance Documents.

Under the Rhino 1 Share Pledge Agreement, Rhino Holdco S.à r.l., in its capacity as pledgor (the **"Pledgor"**), has agreed to pledge and has pledged continuing first ranking security for the due and full payment, discharge and performance of the Secured Liabilities, all its claims, rights, title and interest in the Shares to, and in favour of, Hatfield Philips Agency Services Limited.

Where:

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever and whether originally incurred by an Obligor or by some other person) of each Obligor to the Finance Parties (or any of them) under each of the Finance Documents.

"Shares" means the seven hundred fifty (750) shares (*parts sociales*), with a nominal value of GBP 20 each in Rhino 1 S.à r.l. representing the entire issued, fully paid-up and subscribed share capital of Rhino 1 S.à r.l. as at the date of the Rhino 1 Share Pledge Agreement as well as all securities acquired or offered in substitution or in addition to such shares including those which may be subscribed by the Pledgor in the case of an increase of the share capital of Rhino 1 S.à r.l., following exchange, merger, consolidation, division, issue of stock dividend, subscription for cash or otherwise and, generally, all such stock and shares in the capital of Rhino 1 S.à r.l. now or at any time hereafter owned by the Pledgor and, except as otherwise provided in the Rhino 1 Share Pledge Agreement, the dividends or interest thereon, redemption distribution, bonus, preference, option rights or otherwise to or in respect of any of the Shares.

Under the Rhino 2 Share Pledge Agreement, Rhino Holdco S.à r.l., in its capacity as pledgor (the **"Pledgor"**), has agreed to pledge and has pledged continuing first ranking security for the due and full payment, discharge and performance of the Secured Liabilities, all its claims, rights, title and interest in the Shares to, and in favour of, Hatfield Philips Agency Services Limited.

Where:

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever and whether

originally incurred by an Obligor or by some other person) of each Obligor to the Finance Parties (or any of them) under each of the Finance Documents.

"Shares" means the seven hundred fifty (750) shares (*parts sociales*), with a nominal value of GBP 20 each in Rhino 2 S.à r.l. representing the entire issued, fully paid-up and subscribed share capital of Rhino 2 S.à r.l. as at the date of the Rhino 2 Share Pledge Agreement as well as all securities acquired or offered in substitution or in addition to such shares including those which may be subscribed by the Pledgor in the case of an increase of the share capital of Rhino 2 S.à r.l., following exchange, merger, consolidation, division, issue of stock dividend, subscription for cash or otherwise and, generally, all such stock and shares in the capital of Rhino 2 S.à r.l. now or at any time hereafter owned by the Pledgor and, except as otherwise provided in the Rhino 2 Share Pledge Agreement, the dividends or interest thereon, redemption distribution, bonus, preference, option rights or otherwise to or in respect of any of the Shares.

Enforceability

The security constituted by the Transaction Security Documents is expressed to be immediately enforceable if an Event of Default occurs and is continuing.

The Subordination Agreement

The Original Debtors and the Original Subordinated Creditors entered a subordination agreement dated 18 October 2016 by which all present and future liabilities (actual or contingent) (the **"Liabilities"**) payable or owing by the Debtors to the Subordinated Creditors from time to time (the **"Subordinated Debt"**) are subordinated in right of payment to all Liabilities payable or owing by any member of the Group to a Finance Party under or in connection with the Finance Documents (the **"Senior Debt"**) and payment of any amount of Subordinated Debt (except in the case of certain distributions permitted under the Senior Facilities Agreement) is conditional upon the Obligors having irrevocably paid in full all of the Senior Debt (the **"Subordination Agreement"**).

Where:

"Debtors" means an Original Debtor or any member of the Group which accedes to the Subordination Agreement;

"Original Debtors" means Rhino 1 S.à r.l., Rhino 2 S.à r.l., Cutlers Gardens Jersey (No. 1) Trustee Limited, Cutlers Gardens Jersey (No. 1) Trustee Limited, CG Cutlers Gardens (UK) No. 1 Limited, CG Cutlers Gardens (UK) No. 2 Limited, CG Shield House (UK) No. 1 Limited, CG Shield House (UK) No. 2 Limited, CG Cutlers Gardens Limited Partnership, CG Shield House Limited Partnership, CG Cutlers Gardens (Jersey) Limited, CG Cutlers Gardens (Jersey) 2 Limited, CG Shield House (Jersey) Limited, CG Shield House (Jersey) 2 Limited, CG Courtyard (Jersey) Limited and Cutlers Gardens Estates Limited;

"Original Subordinated Creditors" means Rhino Holdco S.à r.l., Rhino 1 S.à r.l., Rhino 2 S.à r.l., Cutlers Gardens Jersey (No. 1) Trustee Limited, Cutlers Gardens Jersey (No. 1) Trustee Limited, CG Cutlers Gardens (UK) No. 1 Limited, CG Cutlers Gardens (UK) No. 2 Limited, CG Shield House (UK) No. 1 Limited, CG Shield House (UK) No. 2 Limited, CG Cutlers Gardens Limited Partnership, CG Shield House Limited Partnership, CG Cutlers Gardens (Jersey) Limited, CG Cutlers Gardens (Jersey) 2 Limited, CG Shield House (Jersey) Limited, CG Shield House (Jersey) 2 Limited, CG Courtyard (Jersey) Limited and Cutlers Gardens Estates Limited; and

"Subordinated Creditor" means an Original Subordinated Creditor and any other person which accedes to the Subordination Agreement.

Description of the Bank Account Structure

Designation of Control Accounts

Each Obligor is required to open and maintain in its name interest bearing current accounts as set out in the Senior Facilities Agreement.

The Obligors may not, without the prior written consent of the Facility Agent, maintain any other account other than any Control Account or any Rent Deposit Account.

Control Accounts Generally

Each Control Account may earn interest as agreed with the relevant Account Bank, be denominated in Sterling and may not become overdrawn. Upon the occurrence of a continuing Event of Default, the monies standing to the credit of any Control Account may be utilised to satisfy any due and payable Secured Liabilities, however, the Facility Agent is not obliged to make such a withdrawal. If an Obligor makes any payment into a Control Account which is not held in its name or for its benefit, a Subordinated Loan shall arise owed by the relevant Obligor to the Obligor making the payment.

Payments into Control Accounts

- (a) All Rental Income shall be paid directly into the Collection Account and each Pledgeco will then ensure that all Net Rental Income (save for (i) dilapidations under any Lease which may be paid directly to a General Account and (ii) any Net Rental Income received by CG Courtyard (Jersey) Limited which may be paid directly to the Rent Collection Account of CG Courtyard (Jersey) Limited) is transferred directly from the Collection Account into the Rental Income Account as soon as reasonably practicable.
- (b) Each Obligor shall ensure that all Service Charge Proceeds and any sums representing VAT chargeable in respect of Rental Income are paid into the Collection Account or a Service Charge Account (as defined in the Senior Facilities Agreement).
- (c) Each Obligor will ensure that (i) all proceeds of any Insurance Policy in respect of operating losses or a loss of rent; (ii) all amounts payable to it under any Hedge Document; (iii) any disposal proceeds other than any Permitted Property Disposal Prepayment Proceeds, any Excluded Permitted Property Disposal Proceeds, Disposal Proceeds falling under paragraph (j) of the definition of Permitted Disposal and any Expropriation Proceeds; and (iv) any amount standing to the credit of any Rent Deposit Account which it is entitled to withdraw for its own account by way of compensation to that Obligor for the failure by the relevant tenant to pay any amount which would constitute Net Rental Income, are promptly paid into the relevant Rental Income Account.
- (d) Each Obligor will ensure that (i) any other Insurance Prepayment Proceeds received by it; (ii) any other Permitted Property Disposal Prepayment Proceeds received by it; (iii) any Recovery Prepayment Proceeds received by it; and (iv) any Expropriation Proceeds received by it, are promptly paid into its Prepayment Account.
- (e) Each Obligor will ensure that (i) any Excluded Permitted Property Disposal Proceeds; (ii) any Excluded Insurance Proceeds received by it; (iii) any Excluded Expropriation Proceeds received by it; and (iv) any Excluded Recovery Proceeds received by it are promptly paid into its General Account.
- (f) Each Obligor will ensure that all VAT Recovery Payments received in respect of a Major Capex Programme are paid into the relevant Major Capex Account.
- (g) Each Obligor will ensure that all VAT Recovery Payments received in respect of a Minor Capex Programme are paid into the Minor Capex Account.

Rental Income Account

The Facility Agent has sole signing rights in respect of each Rental Income Account. On each Underlying Loan Interest Payment Date the Facility Agent shall withdraw from the Rental Income Accounts as is necessary for application in or towards:

- (a) *firstly*, payment of any amount due but unpaid under the Headlease (as set out in the most recent Compliance Certificate delivered to the Facility Agent) shall be paid into the relevant General Account as specified in the Compliance Certificates for that purpose;
- (b) *secondly*, payment pro rata of any unpaid costs, fees and expenses then due and payable to the Security Agent (including any due to any Receiver or Delegate), the Facility Agent and the Mandated Lead Arrangers under the Finance Documents;
- (c) *thirdly*, payment pro rata of any unpaid costs, fees and expenses then due and payable to the Finance Parties (other than the Security Agent, any Receiver or any Delegate, the Facility Agent and the Mandated Lead Arrangers) under the Finance Documents;
- (d) *fourthly*, in or towards payment pro rata of all accrued interest then due and payable to the Lenders under the Finance Documents;
- (e) *fifthly*, in or towards payment pro rata to the Lenders of any principal then due and payable under the Senior Facilities Agreement;
- (f) *sixthly*, only if the Reserve Release Event Date (as defined in the Senior Facilities Agreement) has not occurred on or before that Interest Payment Date and/or a Cash Trap Event has occurred on that Interest Payment Date, an amount up to the lower of:
 - (i) any surplus; and
 - (ii) the amount of:
 - (A) Corporate Expenses and management fees (other than management fees which are recoverable from Service Charge Proceeds) provided that the aggregate amount of Corporate Expenses and such management fees that may be paid from the Rental Income Accounts (taken together) into the General Accounts under this subparagraph (i) shall not exceed £3,750,000 in aggregate during the life of the Facilities;
 - (B) leasing commissions and letting agent costs provided that the aggregate amount of leasing commissions and letting agent costs that may be paid from the Rental Income Accounts (taken together) into the General Accounts under this subparagraph (ii) shall not exceed £9,000,000 in aggregate during the life of the Facilities;
 - (C) Taxes;
 - (D) capital expenditure in respect of Permitted Capex Projects (other than any Capex Project in respect of a Major Capex Programme or the Minor Capex Programme) provided that the aggregate amount of capital expenditure that may be paid from the Rental Income Accounts (taken together) into the General Accounts under this subparagraph (iv) shall not exceed £7,500,000 in aggregate during the life of the Facilities; and

- (E) tenant improvements provided that the aggregate amount of tenant improvements that may be paid from the Rental Income Accounts (taken together) into the General Accounts under this subparagraph (v) shall not exceed £7,750,000 in aggregate during the life of the Facilities,

in each case, then due and payable by an Obligor or projected to be due and payable by an Obligor in the Interest Period starting on that Interest Payment Date and ending on the next consecutive Interest Payment Date (as set out in the most recent Compliance Certificate delivered to the Facility) shall be paid into the relevant General Account as specified in the Compliance Certificates for that purpose;

- (g) *seventhly*, if the Projected ICR is less than 1.15:1.00 on that Interest Payment Date, the lower of:

- (i) any surplus; and
- (ii) an amount which, when credited to the Interest Ledger Sub-Account of the Cash Shortfall Account, would result in the Projected ICR being 1.15:1.00,

shall be paid into the Interest Ledger Sub-Account of the Cash Shortfall Account;

- (h) *eighthly*, if the Reserve Release Event Date has not occurred on or before that Interest Payment Date, any surplus (other than any Surrender Retention Amounts (as defined in the Senior Facilities Agreement) in relation to any Occupational Leases surrendered on or prior to such Interest Payment Date) shall be paid into the Opex Ledger Sub-Account of the Cash Shortfall Account;
- (i) *ninthly*, if a Cash Trap Event has occurred on that Interest Payment Date, any surplus (other than any Surrender Retention Amounts in relation to any Occupational Leases surrendered on or prior to such Interest Payment Date) shall be paid into the Cash Trap Account (each a Cash Trap Amount); and
- (j) *tenthly*, any surplus (other than any Surrender Retention Amounts in relation to any Occupational Leases surrendered on or prior to such Interest Payment Date) shall be paid into the General Account as specified in the Compliance Certificate for that purpose.

On any day on which an amount is due but unpaid under the Headlease, the Facility Agent may, and is irrevocably authorised by each Obligor to:

- (a) withdraw from the Rental Income Account an amount necessary to meet that due amount; and
- (b) apply that amount in payment of the amount due under the Headlease.

Prepayment Account

The Facility Agent has sole signing rights to the Prepayment Account. Provided no Event of Default is outstanding, on each Interest Payment Date or earlier date on which a prepayment is to be made from amounts relating to Insurance Prepayment Proceeds, Permitted Property Disposals Proceeds, Expropriation Proceeds and Recovery Prepayment Proceeds, the Facility Agent shall withdraw from the Prepayment Account all amounts standing to the credit of the Prepayment Account for application in the following order: (i) firstly to any unpaid costs, fees and expenses due to the Security Agent, Facility Agent and Mandated Lead Arranger under the Finance Documents, (ii) secondly to the Finance Parties (other than those referred to at (i)), (iii) thirdly, to prepayment of the Underlying Loans, (iv) fourthly, in payment of any other Secured Liabilities and (v) fifthly, any surplus to the Obligors.

Cash Shortfall Account

The Facility Agent has sole signing rights to the Cash Shortfall Account.

The Cash Shortfall Account to be sub-divided into:

- (a) a sub-account designated as the "Interest Ledger Sub-Account" (the "**Interest Ledger Sub-Account**"); and
- (b) a sub-account designated as the "Opex Ledger Sub-Account" (the "**Opex Ledger Sub-Account**").

On each Interest Payment Date and prior to the Facility Agent making the withdrawals from the amounts standing to the credit of the Rental Income Accounts, the Facility Agent shall (and is irrevocably authorised by each Obligor to) withdraw from the Cash Shortfall Account such amount as is necessary for application in or towards:

- (i) from amounts standing to the credit of the Interest Ledger Sub-Account, an amount equal to the lower of the balance of the Interest Ledger Sub-Account and the Projected Interest Shortfall (as defined in the Senior Facilities Agreement) shall be paid into the relevant Rental Income Account(s); and
- (ii) from amounts standing to the credit of the Opex Ledger Sub-Account, an amount equal to the lower of the balance of the Opex Ledger Sub-Account and the Projected Opex Shortfall (as defined in the Senior Facilities Agreement) shall be paid into the relevant Rental Income Account(s).

Provided that no Event of Default is continuing or would occur as a result of the withdrawal, if the Reserve Release Event Date has occurred the Company may request the transfer of all amounts standing to the credit of the Cash Shortfall Account (other than any amounts credited to the Cash Shortfall Account after the Reserve Release Event Date) at that time to the General Account(s) specified by the Company.

Provided that no Event of Default is continuing or would occur as a result of the withdrawal, if on an Interest Payment Date falling after the Reserve Release Event Date, there are amounts standing to the credit of the Interest Ledger Sub-Account that were credited to the Interest Ledger Sub-Account after the Reserve Release Event Date (a "**Post Reserve Release Event Date Amount**"), the Company may request the transfer of an amount equal to the Post Reserve Release Event Date Amount from the Interest Ledger Sub-Account to the General Account(s) specified by the Company provided that on that Interest Payment Date the Obligors are in compliance with the requirements of clause 22.2 (Projected ICR) of the Senior Facilities Agreement (provided that when determining such compliance (A) the balance of the Cash Shortfall Account shall be deemed to be zero and (B) to the extent on such Interest Payment Date any Cash Trap Amount will be transferred to a General Account such Cash Trap Amount shall be deducted from the balance standing to the credit of the Cash Trap Account).

Provided no Event of Default is continuing or would occur as a result of the transfer, the Company may request that any amount in the Opex Ledger Sub-Account is transferred to the Interest Ledger Sub-Account provided that such transfer may not result in the balance of the Opex Ledger Sub-Account being less than the Initial Opex Ledger Sub-Account Required Amount (as defined in the Senior Facilities Agreement).

Provided no Event of Default is continuing or would occur as a result of the transfer and prior to the Reserve Release Event Date occurring, the Company may request that any amount in the Interest Ledger Sub-Account is transferred to the Opex Ledger Sub-Account provided that: (i) the Projected ICR (recalculated immediately following such transfer) is equal to or greater than 1.15:1.00 and (ii)

such transfer may not result in the balance of the Interest Ledger Sub-Account being less than the Initial Interest Ledger Sub-Account Required Amount (as defined in the Senior Facilities Agreement).

Subject to the paragraph below, the Company may at any time credit (or procure that any other person credits) the Cash Shortfall Account with any amount from any source (including, without limitation, Investor Debt, Equity Contribution(s) (as defined in the Senior Facilities Agreement), Subordinated Loan(s) and/or amounts standing to the credit of any General Account).

Following the Reserve Release Event Date, the Company may not credit any amounts to the Opex Ledger Sub-Account.

Cash Trap Account

The Facility Agent has sole signing rights to the Cash Trap Account.

Provided no Event of Default is continuing, if on any two consecutive Underlying Loan Interest Payment Dates after payment of a Cash Trap Amount into the Cash Trap Account no Cash Trap Event occurs (*provided that* when determining if a Cash Trap Event has occurred (1) the balance of the Interest Ledger Sub-Account and the Opex Ledger Sub-Account shall be deemed to be zero and (2) the balance of the Cash Trap Account shall be deemed to exclude the Release Cash Trap Amount (as defined in the Senior Facilities Agreement)), the Facility Agent shall on the second of such consecutive Underlying Loan Interest Payment Dates withdraw an amount equal to such Cash Trap Amount from the Cash Trap Account and transfer that amount to the General Account as specified in the Compliance Certificate for that purpose.

If on any two consecutive Underlying Loan Interest Payment Dates after payment of a Sweep Cash Trap Amount into the Cash Trap Account a Cash Trap Event occurs (*provided that* when determining if a Cash Trap Event has occurred (1) the balance of the Interest Ledger Sub-Account and the Opex Ledger Sub-Account shall be deemed to be zero and (2) the balance of the Cash Trap Account shall be deemed to exclude the Sweep Cash Trap Amount) the Facility Agent shall, on the second of such consecutive Underlying Loan Interest Payment Dates, withdraw an amount equal to the Sweep Cash Trap Amount from the Cash Trap Account and apply such prepayment of the Underlying Loans in accordance with the Senior Facilities Agreement. See the section above entitled "*Prepayments from the Cash Trap Account*" for further details.

Equity Cure Account

The Facility Agent has sole signing rights on the Equity Cure Account.

If no Event of Default is continuing and the Obligor is in compliance with the LTV Covenant (*provided that* when determining such compliance (1) it shall be assumed that such Interest Payment Date is a LTV Ratio Test Date, (2) the balance of the Equity Cure Account shall be deemed to be zero and (3) to the extent on such Interest Payment Date any Cash Trap Amount will be transferred to a General Account such Cash Trap Amount shall be deducted from the balance standing to the credit of the Cash Trap Account) and the Projected ICR Covenant (*provided that* when determining such compliance (A) the balance of the Equity Cure Account shall be deemed to be zero and (B) to the extent on such Interest Payment Date any Cash Trap Amount will be transferred to a General Account such Cash Trap Amount shall be deducted from the balance standing to the credit of the Cash Trap Account) on an Underlying Loan Interest Payment Date, the Facility Agent shall withdraw all amounts standing to the credit of the Equity Cure Account and transfer such amounts to the General Account as specified in the Compliance Certificate for that purpose.

If the Obligor is not in compliance with the LTV Covenant (*provided that* when determining such compliance (1) it shall be assumed that such Interest Payment Date is a LTV Ratio Test Date and (2) the balance of the Equity Cure Account shall be deemed to be zero) or the Projected ICR Covenant (*provided that* when determining such compliance the balance of the Equity Cure Account shall be

deemed to be zero) on an Underlying Loan Interest Payment Date (and for such purposes, the amount in the Equity Cure Account will be assumed to be zero) and no Event of Default is continuing, the Facility Agent shall withdraw all amounts standing to the credit of the Equity Cure Account and apply such amounts in prepayment of the Underlying Loans in accordance with the terms of the Senior Facilities Agreement.

Rent Collection Account – CG Courtyard (Jersey) Limited

The Facility Agent has sole signing rights to the Rent Collection Account.

No later than the tenth day of a calendar month, the Facility Agent will transfer any Net Rental Income credited to the Rent Collection Account in the previous calendar month to the relevant Rental Income Account.

General Account

Each Obligor has signing rights to its General Account. Amounts may be withdrawn from a General Account and applied in or towards any purpose in compliance with the Finance Documents.

Collection Account

The Obligors shall ensure that the relevant Property Manager opens and maintains a Collection Account with a bank or financial institution with a Requisite Rating designated in the name of the Property Manager as the Collection Account in accordance with the Duty of Care Letter. If an Event of Default is continuing, the Facility Agent may notify and direct any tenant under the Occupation Lease (as defined in the Senior Facilities Agreement) to pay all Rental Income directly into the Rental Income Account *provided that* if the Event of Default ceases to be continuing (and no other Event of Default is continuing), the Facility Agent must promptly after the cessation of that Event of Default notify in writing any tenants who it has instructed to pay Rental Income directly into the Rental Income Account to pay all Rental Income falling due after such notification directly into the Collection Account.

Major Capex Accounts

- (a) The Facility Agent has sole signing rights to each Major Capex Account.
- (b) Subject to paragraph (c) below, the Facility Agent shall withdraw an amount standing to the credit of a Major Capex Account, at the prior written request of the relevant Propco and in the amount so requested, and transfer such amount as is required in payment of any Major Capex Programme Approved Costs (as defined in the Senior Facilities Agreement) that are due and payable (or if such costs and expenses have been paid from moneys standing to the credit of the General Accounts, transfer such amount to the relevant General Account) in accordance with the instructions set out in such request.
- (c) Paragraph (b) above shall not apply to any amounts standing to the credit of a Major Capex Account which constitute proceeds of a Utilisation in respect of which a Last Utilisation Election (as defined in the Senior Facilities Agreement) was made unless:
 - (i) on or before the date of such withdrawal the Facility Agent has been provided with copies of invoices in respect of the relevant Major Capex Programme Approved Costs; and
 - (ii) the relevant Project Monitor (acting reasonably) has confirmed:
 - (i) such withdrawal is to fund (indirectly via funding to the Major Capex Account) retention or holdback amounts in respect of a Major Capex Programme; and

- (ii) on the Utilisation Date of that Capex Facility Loan that there is no Cost Overrun (as defined in the Senior Facilities Agreement) in respect of the relevant Major Capex Programme.
- (d) The Company may at any time after Practical Completion has occurred in respect of a Major Capex Programme elect that all or any part of any amounts standing to the credit of the relevant Major Capex Account that constitute the proceeds of any Capex Facility Loan made in respect of that Major Capex Programme are applied in prepayment of the Capex Facility Loans.
- (e) If Practical Completion in respect of a Major Capex Programme has occurred, the Facility Agent shall promptly (transfer all amounts that constitute VAT Recovery Payments received in respect of the relevant Major Capex Programme standing to the credit of the relevant Major Capex Account to the General Account specified by the Company.

Minor Capex Account

- (a) The relevant Propco shall have sole signing rights to the Minor Capex Account.
- (b) Subject to paragraph (c) below, the relevant Propco shall only be permitted to make withdrawals from the Minor Capex Account to fund the Permitted Capex Projects in respect of the Minor Capex Programme and which are in the interests of good estate management.
- (c) The Company may at any time elect that all or any part of any amounts standing to the credit of the Minor Capex Account are applied in prepayment of the Underlying Loans.

Service Charge Account

Each Obligor shall have signing rights to its Service Charge Account(s).

Subject to the terms of the Senior Facilities Agreement, an Obligor may:

- (a) make such withdrawals as are required from time to time from its Service Charge Account to be applied in or towards the payment or discharge of:
 - (i) Service Charge Expenses;
 - (ii) **"Irrecoverable Service Charge Expenses;** and/or
 - (iii) VAT payable in respect of Rental Income; and
- (b) within 60 days of the last day of each Financial Year, withdraw and transfer to its General Account an amount equal to or less than the amount standing to the credit of its Service Charge Account on the last day of that Financial Year provided that sufficient amounts (in aggregate) remain standing to the credit of the Service Charge Accounts (in aggregate) to fund the Obligors (in aggregate) payment obligations in respect of Service Charge Proceeds falling due prior to the next Interest Payment Date.

Withdrawals

No withdrawal may be made by any Obligor from a Control Account if an Event of Default is continuing or would occur as a result of that withdrawal, except with the prior written consent of the Facility Agent.

At any time when an Event of Default is continuing, the Facility Agent may:

- (a) operate any Unblocked Account (as defined in the Senior Facilities Agreement);

- (b) notify the relevant Obligor that its rights to operate any Unblocked Account are suspended, such notice to take effect in accordance with its terms; and
- (c) withdraw from, and apply amounts standing to the credit of, any Unblocked Account in or towards any purpose for which moneys in any Control Account may be applied.

If and for so long as an Event of Default is continuing, the Security Agent may give notice to each Account Bank that no amount may be withdrawn from any Unblocked Account without its prior written consent (acting on the instructions of the Majority Lenders) provided that if the Event of Default ceases to be continuing (and no other Event of Default is continuing), the Security Agent shall promptly notify each Account Bank that the prior written consent of the Security Agent (acting on the instructions of the Majority Lenders) is no longer required in relation to withdrawal of amounts from the Unblocked Accounts.

For the purposes of the Senior Facilities Agreement:

"£", "Sterling" and "GBP" denotes the lawful currency of the United Kingdom.

"\$", and "USD" denotes the lawful currency of the United States of America.

"**Accounting Principles**" means, in relation to an Obligor, IFRS or the accounting standards generally accepted in the jurisdiction of incorporation of that Obligor.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Agreement for Lease**" means an agreement to grant an Occupational Lease of all or part of any Property.

"**Agency Fees**" means the fees payable to the Facility Agent and the Security Agent in accordance with the terms of each of the Facility Agent Fee Letter and the Security Agent Fee Letter.

"**ALA Excess**" means, in relation to a Property (other than a Residential Unit) and on any date, an amount equal to the Release Price in respect of that Property minus the Allocated Loan Amount of that Property on that date.

"**Allocated Loan Amount**" means, in relation to a Property, the amount specified in the column entitled "Allocated Loan Amount" set opposite its name in Appendix 2 (*The Properties*) provided that:

- (a) on and from the Utilisation Date of a Capex Facility Loan in respect of the Minor Capex Programme, each Allocated Loan Amount shall be increased by a pro rata amount of that Capex Facility Loan;
- (b) on and from the Utilisation Date of a Capex Facility Loan in respect of a Major Capex Programme, the Allocated Loan Amount of the Property to which that Major Capex Programme relates shall be increased by the amount of that Capex Facility Loan; and
- (c) each Allocated Loan Amount shall be reduced from time to time in accordance with clause 7.9 (Reduction of Allocated Loan Amounts) of the Senior Facilities Agreement.

"**Annual Forward Looking three-Month LIBOR**" means, in respect of any Relevant Period, the rate per annum that is the arithmetic mean of:

- (a) Underlying Loan LIBOR for the three-Month period commencing on the Reference Day;
- (b) 3x6 forward rate agreement ("**FRA**") as provided by ICAP and found on Bloomberg page ICAB15 being calculated as the mean between the bid and ask prices at the Reference Day;

- (c) 6x9 FRA as provided by ICAP and found on Bloomberg page ICAB15 being calculated as the mean between the bid and ask prices at the Reference Day; and
- (d) 9x12 FRA as provided by ICAP and found on Bloomberg page ICAB15 being calculated as the mean between the bid and ask prices at the Reference Day,

provided that:

- (i) if any Underlying Loan Interest Period is more than or less than three Months in duration (whether as a result of the first Underlying Loan Interest Payment Date or the Final Repayment Date falling during the Relevant Period or otherwise) the calculation of Annual Forward Looking three-Month LIBOR may be adjusted to reflect such duration to provide an estimate of the Underlying Loan LIBOR rates that are applicable to the Underlying Loan Interest Payment Dates and, if applicable, Final Repayment Date falling during that Relevant Period; and
- (ii) if the Bloomberg page ICAB15 is replaced or the relevant rate ceases to be available on that page or from ICAP, Annual Forward Looking three-Month LIBOR shall be calculated by reference to:
 - (A) a replacement page or rate as agreed between the Facility Agent (acting on the instructions of the Majority Lenders) and the Company (each acting reasonably); or
 - (B) if the Facility Agent and the Company cannot agree to a replacement page or rate under subparagraph (A) within five Business Days of the date on which Bloomberg page ICAB15 is replaced or the relevant rate ceases to be available on that page or from ICAP (as applicable), a replacement page or rate determined by the Facility Agent (acting on the instructions of the Majority Lenders, each acting reasonably); and
- (iii) if any such Annual Forward Looking three-Month LIBOR is less than zero, such Annual Forward Looking three-Month LIBOR will be deemed to be zero.

"Anti-Money Laundering Laws" means all applicable laws concerning money laundering, terrorist or criminal financing, and financial record-keeping and reporting, including, without limitation, the Bank Secrecy Act, 31 U.S.C. sections 5301 et seq.; the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56 (a/k/a the USA Patriot Act); Laundering of Monetary Instruments, 18 U.S.C. section 1956; Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, 18 U.S.C. section 1957; the Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations, 31 C.F.R. Part 103.

"Arrangement Fee Letter" means the letter dated on or about the date of the Senior Facilities Agreement between the Mandated Lead Arrangers and the Company setting out the fees referred to in the Senior Facilities Agreement.

"Assignment Agreement" means an agreement substantially in the form scheduled to the Senior Facilities Agreement or any other form agreed between the Facility Agent and the Company.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, permission, recording, filing, notarisation, registration or similar requirement, however described.

"Availability Period" means:

- (a) in relation to a Capex Facility, the period from and including the date of the Senior Facilities Agreement to and including 12 May 2019; and
- (b) in relation to a Term Facility, the period from and including the date of the Senior Facilities Agreement to and including the date falling five Business Days after the date of the Senior Facilities Agreement.

"Available Commitment" means in relation to a Facility, a Lender's Commitment under that Facility minus:

- (a) the amount of its participations in any outstanding Underlying Loans under that Facility; and
- (b) in relation to any proposed Underlying Loan under that Facility, the amount of its participation in any other Underlying Loans under that Facility that are due to be made on or before the proposed Utilisation Date for that proposed Underlying Loan.

"Available Facility" means, in relation to a Facility, the aggregate of each Lender's Available Commitments in respect of that Facility.

"Basel II" means the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of the Senior Facilities Agreement.

"Basel III" means:

- (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement - Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III";

"Break Costs" means the amount (if any) by which:

- (a) the interest (excluding Underlying Loan Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Underlying Loan or Unpaid Sum to the last day of the current Underlying Loan Interest Period in respect of that Underlying Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Underlying Loan Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the London interbank market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Underlying Loan Interest Period in respect of that Underlying Loan or Unpaid Sum.

"Budgeted Costs" means the itemised budgeted costs and expenses relating to the relevant Major Capex Programme or Minor Capex Programme delivered pursuant to the Senior Facilities Agreement.

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

"Capex Account" means a Major Capex Account or the Minor Capex Account.

"Capex Facility " means the Capex Facility A or the Capex Facility B, in each case, as the context so requires and the term "Capex Facilities" shall be construed accordingly.

"Capex Facility A " means the term loan capital expenditure facility made available under the Senior Facilities Agreement.

"Capex Facility A Commitment" means:

- (a) in relation to the Original Lenders, the amount set opposite its name under the heading Capex Facility A Commitment in Part 1 of Schedule 1 (The Original Parties) and the amount of any other Capex Facility A Commitment transferred to it under the Senior Facilities Agreement; and
- (b) in relation to any other Lender, the amount of any Capex Facility A Commitment transferred to it under the Senior Facilities Agreement,
- (c) to the extent not cancelled, reduced or transferred by it under the Senior Facilities Agreement or deemed to be zero pursuant to clause 44.2 (Debt Purchases by Investor Affiliates) of the Senior Facilities Agreement

"Capex Facility A Loan" means a loan made available under the Capex Facility A or the principal amount outstanding for the time being of that loan.

"Capex Facility B " means the term loan capital expenditure facility made available under the Senior Facilities Agreement as described in paragraph (b) of clause 2.1 (The Facilities) of the Senior Facilities Agreement.

"Capex Facility B Commitment " means:

- (a) in relation to the Original Lenders, the amount set opposite its name under the heading Capex Facility B Commitment in Part 1 of Schedule 1 (The Original Parties) and the amount of any other Capex Facility B Commitment transferred to it under the Senior Facilities Agreement; and
- (b) in relation to any other Lender, the amount of any Capex Facility B Commitment transferred to it under the Senior Facilities Agreement,
- (c) to the extent not cancelled, reduced or transferred by it under the Senior Facilities Agreement or deemed to be zero pursuant to clause 44.2 (Debt Purchases by Investor Affiliates) of the Senior Facilities Agreement.

"Capex Facility B Loan " means a loan made available under the Capex Facility B or the principal amount outstanding for the time being of that loan.

"Capex Facility Commitment " means a Term Facility A Commitment or a Term Facility B Commitment in each case, as the context requires.

"Capex Facility Loan " means a Capex Facility A Loan or a Capex Facility B Loan or the principal amount outstanding for the time being of that loan, in each case, as the context requires.

"Capex Hedging Deadline Date" means the earlier of:

- (a) the date on which the aggregate outstanding principal amount of the Capex Facility Loans is not less than 100% of the Total Capex Facility Commitments (as defined below); and
- (b) the later of:
 - (i) the date on which Practical Completion has occurred in respect of each Major Capex Programme; and
 - (ii) the date on which the Minor Capex Programme has completed.

"Capex Lender" means each Lender that has a Capex Facility Commitment.

"Capex Programme Plan" means the capital expenditure plan delivered on or prior to the First Utilisation Date.

"Capex Project " has the meaning given to such term in paragraph (a) of clause 24.6 (Capital Expenditure and Alterations) of the Senior Facilities Agreement.

"Cashless Utilisation Date" means 18 October 2016.

"Cashless Utilisation Request" means a utilisation request substantially in the form set out in Schedule 12 (*Form of Cashless Utilisation Request*) of the Senior Facilities Agreement or such other form as agreed by the Facility Agent (acting reasonably) and the Company.

"Cash Shortfall Account" means the account designated as such required to be opened and maintained by an Obligor in accordance with the Senior Facilities Agreement and includes the interest of that Obligor in any replacement account or sub division or sub-account of that account.

"Cash Trap Account" means the account designated as such required to be opened and maintained on behalf of an Obligor in accordance with the Senior Facilities Agreement and includes the interest of that Obligor in any replacement account or sub division or sub-account of that account.

"Cash Trap Amount" means any surplus (other than any Surrender Retention Amounts in relation to any Occupational Leases surrendered on or prior to such Interest Payment Date) to be paid into the Cash Trap Account on the occurrence of a Cash Trap Event.

"Cash Trap Event" means, on any Interest Payment Date, that:

- (a) the LTV Ratio is greater than:
 - (i) in respect of an Interest Payment Date falling on or prior to 17 May 2018, 70%;
 - (ii) in respect of an Interest Payment Date falling after 17 May 2018 but on or prior to 17 May 2019, 67.5%; and
 - (iii) in respect of an Interest Payment Date falling after 17 May 2019, 65%; and/or
- (b) the Projected Debt Yield is less than:
 - (i) in respect of an Interest Payment Date falling on or prior to 17 May 2019, 6.00%;
 - (ii) in respect of an Interest Payment Date falling after 17 May 2019 but on or prior to 17 May 2020, 6.25%; and
 - (iii) in respect of an Interest Payment Date falling after 17 May 2020, 6.50%;

provided that for the purposes of determining whether a Cash Trap Event has occurred on any Interest Payment Date, the amounts standing to the credit of the Interest Ledger Sub-Account and, following the Reserve Release Event Date, the Opex Ledger Sub-Account will not be deducted from Net Debt when calculating the Projected Debt Yield and the LTV Ratio.

"Centre of Main Interests" means the "centre of main interests" of an Obligor for the purposes of the COMI Regulation.

"Charged Property" means all of the assets of the members of the Group which from time to time are, or are expressed to be, the subject of the Transaction Security.

"Claim" means any claim, action, proceeding, investigation, notice or demand.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Closing Certificate of Title" means the certificate of title dated 12 May 2016 in relation to the Property.

"Collection Account" means a trust or client account maintained by a Property Manager for the benefit of an Underlying Borrower in accordance with any Duty of Care Letter and includes any interest of that Underlying Borrower or that Property Manager in that account or of that Property Manager or that Underlying Borrower in any replacement account or sub-account or sub-division of that account.

"COMI Regulation" means Council Regulation (EC) No 1346/2000 of 29 May 2000.

"Commitment" means a Capex Facility Commitment and a Term Facility Commitment.

"Compliance Certificate" means a certificate substantially in the form scheduled to the Senior Facilities Agreement delivered on or prior to the First Utilisation Date.

"Control Account" means each of the accounts listed in Senior Facilities Agreement as a Control Account and any account which is required or permitted to be opened and maintained by the Obligors in accordance with the provisions of the Senior Facilities Agreement relating to the designation of Control Accounts from time to time.

"Corporate Expenses" means, in relation to each Obligor, all corporate operating expenditure of those entities (in each case, only to the extent such expenditure does not constitute Service Charge Expenses or Irrecoverable Service Charge Expenses) including, without limitation, audit and accountancy, legal, registration, trustee, manager, tax advisers and domiciliation fees and expenses and expenditure relating to advertising, marketing, payroll and related taxes, computer processing charges, operational equipment and other finance lease payments.

"Cost Overrun" means, in respect of a Major Capex Programme at any time, the amount by which the relevant Project Monitor (acting reasonably) determines that:

- (a) the projected costs in respect of that Major Capex Programme minus the aggregate amount credited to the relevant Major Capex Account which the Company notifies the Facility Agent are to fund Cost Overruns ("**Cost Overrun Funding**"),

exceeds

- (b) the Budgeted Costs in respect of that Major Capex Programme,

provided that if such amount is zero or is less than zero at such time, there shall be deemed to be no Cost Overrun at such time.

"CRD IV" means:

- (a) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
- (b) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

"Cut-Off Date" means 15 February 2017.

"Default" means an Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"Defaulting Lender" means:

- (a) a Lender which has failed to make its participation in an Underlying Loan available (or has notified the Facility Agent or the Company (which has notified the Facility Agent) that it will not make its participation in an Underlying Loan available) by the Utilisation Date of that Underlying Loan in accordance the Senior Facilities Agreement unless:
 - (i) payment is made within three Business Days of its due date and its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; or
 - (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question;
- (b) a Lender which has rescinded or repudiated a Finance Document; and/or
- (c) a Lender with respect to which an Insolvency Event has occurred and is continuing.

"Delegate" means any delegate, agent, attorney, manager or co-trustee appointed by the Facility Agent or the Security Agent.

"Debtor Accession Deed" has the meaning given to such term in the Subordination Agreement.

"Disposal Proceeds" means the consideration receivable by any member of the Group (including any amount receivable in repayment of intercompany debt) for any disposal made by any member of the Group after deducting:

- (a) any reasonable fees, costs and expenses which are incurred by any member of the Group with respect to that disposal to persons who are not members of the Group (nor Investor Affiliates); and
- (b) any Tax incurred and required to be paid by the seller in connection with that disposal (as reasonably determined by the seller, on the basis of existing rates and taking account of any available credit, deduction or allowance).

"Disruption Event" means:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; and/or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems related nature) to the treasury or payments operations of a Party preventing that, or any other Party from:
 - (i) performing its payment obligations under the Finance Documents; or
 - (ii) communicating with other Parties in accordance with the terms of the Finance Documents,

(and which (in either such case)) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"Duty of Care Letter" means the letter agreement dated 18 October 2016 executed by the Property Manager in favour of the Security Agent and the Facility Agent in relation to the management of all or any part of the Properties.

"Employer's Agent" means a person appointed by the relevant Propco to fulfil the role of employer's agent in respect of a Major Capex Programme pursuant to the terms of an Employer's Agent's Appointment Agreement.

"Employer's Agent's Appointment Agreement" means an agreement between the relevant Propco and an Employer's Agent in respect of the appointment of an employer's agent in respect of a Major Capex Programme.

"Enforcement Action" means:

- (a) in relation to any Debt:
 - (i) the acceleration of any Debt or the making of any declaration that any Debt is prematurely due and payable (other than as a result of it becoming unlawful for a Lender to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Finance Documents);
 - (ii) the making of any declaration that any Debt is payable on demand;
 - (iii) the making of a demand in relation to any Debt that is payable on demand;
 - (iv) the making of any demand against any Debtor in relation to any Guarantee Liabilities of that Debtor;
 - (v) the exercise of any right of set-off, account combination or payment netting against any Debtor in respect of any Debt; or
 - (vi) the suing for, commencing or joining of any legal or arbitration proceedings against any Debtor to recover any Debt;
- (b) the taking of any steps to enforce or require the enforcement of any Transaction Security (including the crystallisation of any floating charge forming part of the Transaction Security);

- (c) the entering into of any composition, compromise, assignment or arrangement with any Debtor which owes any Debt, or has given any Security, guarantee, indemnity or other assurance against loss in respect of the Debt; or
- (d) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator, examiner or similar officer) in relation to, the winding up, dissolution, administration or reorganisation of any Debtor which owes any Debt, or has given any Security, guarantee, indemnity or other assurance against loss in respect of any of the Debt, or any of such Debtor's assets or any suspension of payments or moratorium of any indebtedness of any such Debtor, or any analogous procedure or step in any jurisdiction,

except that the taking of any action falling within paragraphs (a)(vi) or (d) (above) which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of any Debt, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods shall not constitute Enforcement Action.

"English Limited Partnership" means each of CG Shields House Limited Partnership and CG Cutlers Gardens Limited Partnership.

"English Limited Partnership Agreement" means each limited partnership agreement made between the relevant English LP General Partner and the relevant English LP Limited Partner in respect of the relevant English Limited Partnership.

"English LP General Partner" means:

- (a) in respect of CG Shields House Limited Partnership, CG Shields House (UK) No.1 Limited and CG Shield House (UK) No.2 Limited; and
- (b) in respect of CG Cutlers Gardens Limited Partnership, CG Cutlers Gardens (UK) No.1 Limited and CG Cutlers Gardens (UK) No.2 Limited.

"English LP Limited Partner" means:

- (c) in respect of CG Shields House Limited Partnership, The CG International Cutlers Gardens Unit Trust acting by the JPUT Trustee; and
- (d) in respect of CG Cutlers Gardens Limited Partnership, The CG International Cutlers Gardens Global Unit Trust acting by the JPUT Trustee.

"Environment" means all gases, air, vapours, liquids, water, land, surface and sub-surface soils, rock, flora, fauna, wetlands and all other natural resources or part thereof including artificial or manmade buildings, structures or enclosures, humans, animals and all other living organisms.

"Environmental Claim" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

"Environmental Law" means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or

- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

"Equity Contribution" means an amount which is contributed to a Pledgeco in cash by way of capital contribution (other than a capital contribution constituting Financial Indebtedness) or subscription for shares in a Pledgeco and contributed or invested (if required) by a Pledgeco directly or indirectly to another Obligor by way of capital contribution (other than a capital contribution constituting Financial Indebtedness) or subscription for shares in that Obligor.

"Equity Cure Account" means the account designated as such required to be opened and maintained by an Obligor in accordance with clause 8.1 (Opening of Control Accounts) of the Senior Facilities Agreement and includes the interest of that Obligor in any replacement account or sub division or sub-account of that account.

"Event of Default" means any event or circumstance specified as such in the Senior Facilities Agreement.

"Excluded Expropriation Proceeds" means the amount of Disposal Proceeds received by any Obligor pursuant to any Expropriation which are in excess of either:

- (a) if the whole of a Property is the subject of that Expropriation, the Release Price for the relevant Property the subject of that Expropriation; and/or
- (b) if part of a Property is the subject of that Expropriation, an amount equal to the Partial Expropriation Release Price in relation to that Expropriation.

"Excluded Insurance Proceeds" means

- (a) any proceeds of insurance claims of up to £50,000 per annum; and
- (b) any proceeds of an insurance claim which the Company notifies the Facility Agent are, or are to be, applied as soon as possible (but in any event within 12 months after receipt):
 - (i) to meet a third party claim and to which the relevant insurance proceeds relate; and/or
 - (ii) to cover operating losses or loss of rent in respect of which the relevant insurance claim was made; and/or
 - (iii) to replace, reinstate and/or repair the relevant assets.

"Excluded Permitted Property Disposal Proceeds" means, in respect of a Permitted Property Disposal, an amount equal to the amount of Disposal Proceeds received by an Obligor for that Permitted Property Disposal minus the amount of Permitted Property Disposal Prepayment Proceeds for that Permitted Property Disposal.

"Excluded Recovery Proceeds" means any proceeds of a Recovery Claim which the Company notifies the Facility Agent are, or are to be, applied:

- (a) to satisfy (or reimburse a member of the Group which has discharged) any liability, charge or claim upon a member of the Group by a person which is not a member of the Group not an Investor Affiliate; and/or
- (b) in the replacement, reinstatement and/or repair of assets or property of members of the Group which have been lost, destroyed or damaged,

in each case in relation to that Recovery Claim.

"Existing Facilities Agreement " means senior facilities agreement dated 12 May 2016 made between, among others, CG Cutlers Gardens Limited Partnership (acting by its general partners CG Cutlers Gardens (UK) No.1 Limited and CG Cutlers Gardens (UK) No.2 Limited) and CG Shield House Limited Partnership (acting by its general partners CG Shield House (UK) No.1 Limited and CG Shield House (UK) No.2 Limited) (as borrowers) and Morgan Stanley Bank, N.A. (as mandated lead arranger).

"Existing Finance Documents" means the Finance Documents as such term is defined in the Existing Facilities Agreement.

"Existing Information" means all written material factual information supplied by an Obligor or on its behalf in connection with the Existing Facilities Agreement and the other Existing Finance Documents, including, but not limited to information supplied by an Obligor or on its behalf to any Finance Party, Hedge Counterparty, Valuer or report provider in connection with the preparation of any Report in each case under (and as defined in) the Existing Facilities Agreement.

"Expropriation" means that part of the Property which is compulsorily purchased or is otherwise nationalised or expropriated or is disposed of in order to comply with an order of any agency of the state, any regulatory authority, other regulatory body or any applicable law or regulation.

"Expropriation Prepayment Proceeds" means the Disposal Proceeds received by any Obligor pursuant to any Expropriation except for any Excluded Expropriation Proceeds.

"Expropriation Proceeds" means the Disposal Proceeds received by any Obligor pursuant to any Expropriation except for Excluded Expropriation Proceeds.

"Extension Option Notice" means a document substantially in the form set out in the Senior Facilities Agreement to extend the term of the loan in accordance with the terms thereof.

"Extra General Account" means any additional account opened by an Obligor and designated as a "General Account" and includes the interest of the relevant Obligor in any replacement account or sub division or sub-account of that account.

"Facility" means the Capex Facility A, the Capex Facility B, the Term Facility A Loan and the Term Facility B Loan, in each case as the context requires, and the term "Facilities" shall be used accordingly.

"Facility Agent Fee Letter" means the letter dated on or about the date of the Senior Facilities Agreement between the Facility Agent and the Company setting out the fees referred to in the Senior Facilities Agreement.

"Facility Office" means the office or offices notified by a Lender to the Facility Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice to the Facility Agent) as the office or offices through which it will perform its obligations under the Senior Facilities Agreement.

"FATCA" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

- (c) any agreement pursuant to the implementation of any treaty, law, regulation or other official guidance referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

"FATCA Deduction" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"Fee Letter" means each of the Arrangement Fee Letter, the Facility Agent Fee Letter, the Prepayment Fee Letter and the Security Agent Fee Letter.

"Final Repayment Date" means the Initial Repayment Date or if each of the First Extension Option Conditions is satisfied on the relevant date specified in the definition of First Extension Option Conditions, the First Extended Repayment Date or if each of the Second Extension Option Conditions is satisfied on the relevant date specified in the definition of Second Extension Option Conditions, the Second Extended Repayment Date

"Finance Document" means:

- (a) the Senior Facilities Agreement;
- (b) each Fee Letter;
- (c) each Underlying Loan Margin Letter;
- (d) each Duty of Care Letter;
- (e) each Transfer Certificate;
- (f) each Assignment Agreement;
- (g) each Utilisation Request;
- (h) the Subordination Agreement;
- (i) the Reports Side Letter;
- (j) any Extension Option Notice;
- (k) any Resignation Letter;
- (l) each Debtor Accession Deed;
- (m) each Subordinated Creditor Accession Deed;
- (n) each Transaction Security Document; and
- (o) any other document designated as a "Finance Document" by the Facility Agent and the Company.

"Finance Party" means each of the Facility Agent, any Lender, the Mandated Lead Arrangers and the Security Agent.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) monies borrowed or raised and debit balances at banks or other financial institutions;

- (b) any amount raised by acceptance under any acceptance credit facility or by a bill discounting or factoring credit facility (or dematerialised equivalent);
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract or other agreement which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any Treasury Transaction (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) at the time of calculation shall be taken into account);
- (g) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount raised by the issue of redeemable shares;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days past the period customarily allowed by the relevant supplier to its customers generally for deferred payment;
- (j) any arrangement pursuant to which an asset sold or otherwise disposed of by an Obligor may be re-acquired by that Obligor (whether following the exercise of an option or otherwise);
- (k) any amount raised under any other transaction (including any forward sale or purchase agreement sale and sale back or sale and leaseback agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing; and
- (l) (without double counting) the amount of any liability in respect of any guarantee or indemnity or similar assurance against loss for any of the items referred to in the preceding paragraphs of this definition and any agreement to maintain the solvency of any person whether by investing in, lending to or purchasing the assets of such person.

"Financial Quarter" means each three Month period expiring on 31 March, 30 June, 30 September and 31 December in each year.

"Financial Quarter Date" means the last day of each Financial Quarter.

"Financial Year" means each 12 Month period expiring on 31 December in each year.

"Financing Costs" means all fees, costs and expenses and stamp, transfer, registration, notarial and other Taxes incurred by a member of the Group directly or indirectly in connection with the Finance Documents.

"First Extended Repayment Date" means 15 May 2020.

"First Extension Option Conditions" means each of the following conditions:

- (a) the Company has submitted an Extension Option Notice on any day during the First Extension Option Period;
- (b) on the date of delivery to the Facility Agent of the Extension Option Notice:
 - (i) no Default is continuing; and
 - (ii) no Default would occur as a result of the extension of the Final Repayment Date to the First Extended Repayment Date; and
- (c) on or prior to the Initial Repayment Date, Hedge Documents are entered into that comply with the provisions of clause 12 (Hedging) of the Senior Facilities Agreement or, as the case may be, Hedge Documents are amended such that the provisions of clause 12 (Hedging) of the Senior Facilities Agreement are complied with, in each case, in respect of the period from the Initial Repayment Date to the First Extended Repayment Date.

"First Extension Option Period" means the period commencing on the date falling 90 days prior to the Initial Repayment Date and ending on the date falling 30 days prior to the Initial Repayment Date.

"First Utilisation" means the first Utilisation.

"First Utilisation Date" means 17 May 2016.

"General Account" means

- (a) each account designated as such and required or permitted to be opened and maintained by an Obligor in accordance with clause 8.1 (Opening of Control Accounts) of the Senior Facilities Agreement and, in each case, includes the interest of that Obligor in any replacement account or sub division or sub account of that account; and
- (b) each Extra General Account.

"Group" means each Pledgeco and each of their respective Subsidiaries from time to time.

"Group Structure Chart" means a structure chart showing the structure of the Group and its ownership by the Investors as at 17 May 2016.

"Guarantor" means:

- (a) Rhino 1 S.à r.l , incorporated or formed in Luxembourg (registration number: B168306);
- (b) Rhino 2 S.à r.l., incorporated or formed in Luxembourg (registration number: B168322);
- (c) CG Cutlers Gardens (UK) No.1 Limited, incorporated or formed in England & Wales (registration number: 4131332);
- (d) CG Cutlers Gardens (UK) No.2 Limited, incorporated or formed in England & Wales (registration number: 4131250);
- (e) CG Shield House (UK) No.1 Limited, incorporated or formed in England & Wales (registration number: 4131311);
- (f) CG Shield House (UK) No.2 Limited, incorporated or formed in England & Wales (registration number: 4131241);

- (g) The CG Global Cutlers Gardens Unit Trust (acting by its trustee Cutlers Gardens Jersey (No.1) Trustee Limited), incorporated or formed in England and Wales (registration number: not applicable);
- (h) The CG International Cutlers Gardens Unit Trust (acting by its trustee Cutlers Gardens Jersey (No.1) Trustee Limited), incorporated or formed in Jersey (registration number: not applicable);
- (i) CG Cutlers Gardens Limited Partnership (acting by its general partners CG Cutlers Gardens (UK) No.1 Limited and CG Cutlers Gardens (UK) No.2 Limited), incorporated or formed in England & Wales (registration number: LP7458);
- (j) CG Shield House Limited Partnership (acting by its general partners CG Shield House (UK) No.1 Limited and CG Shield House (UK) No.2 Limited), incorporated or formed in England & Wales (registration number: LP7459);
- (k) CG Cutlers Gardens (Jersey) Limited, incorporated or formed in Jersey (registration number: 79229);
- (l) CG Cutlers Gardens (Jersey) 2 Limited incorporated or formed in Jersey (registration number: 95698);
- (m) CG Shield House (Jersey) Limited, incorporated or formed in Jersey (registration number: 79228);
- (n) CG Shield House (Jersey) 2 Limited, incorporated or formed in Jersey (registration number: 95699);
- (o) Cutlers Gardens Estates Limited, incorporated or formed in Scotland (registration number: SC076761);
- (p) CG Courtyard (Jersey) Limited, incorporated or formed in Jersey (registration number: 98329).

"Headlease" means the lease dated 16 December 1987 made between Arnold Aaron Finer, Ise Elvira Finer and The Standard Life Assurance Company as original parties (and now, as amended, with CG Cutlers Gardens Limited Partnership as tenant).

"Hedge Counterparty" means any bank or financial institution party to a Hedge Document which an Obligor is also party to.

"Hedge Document" means each of the present or future documents entered into by a Hedge Counterparty and (or in favour of) any Obligor evidencing or relating to the hedging transactions referred to in the Senior Facilities Agreement including, but not limited to, any guarantee or similar instrument granted or to be granted in favour of any Obligor in respect of a Hedge Counterparty's obligation under any Hedge Document.

"Holdco" means each Obligor that is not a Propco.

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

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 as adopted by the European Union to the extent applicable to the relevant financial statements.

"Increased Costs" means:

- (a) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;
- (b) an additional or increased cost; or
- (c) a reduction of any amount due and payable under any Finance Document, which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitments or funding or performing its obligations under any Finance Document.

"Initial Business Plan" means the business plan delivered on or prior to the First Utilisation Date pursuant to conditions precedent for the First Utilisation.

"Initial Interest Ledger Sub-Account Required Amount" means £3,500,000.

"Initial Opex Ledger Sub-Account Required Amount" means £3,900,000.

"Initial Property Management Agreement" means each agreement between Propco and the Initial Property Manager in relation to the management and maintenance of any Properties delivered to the Facility Agent pursuant to the Senior Facilities Agreement.

"Initial Property Manager" means BNP Paribas Real Estate Advisory and Property Management UK Limited.

"Initial Repayment Date" means 15 May 2019.

"Initial Valuation" means the valuation report dated on 9 May 2016 prepared by Savills in relation to the Property delivered on or prior to the First Utilisation Date.

"Insolvency Event" means, in relation to any person, such person

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors (other than in accordance with clause 31.8 (Security over Lenders' rights) of the Senior Facilities Agreement);
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

- (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has had exercised (and only to the extent such exercise continues to be in effect) in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has had instituted (and only to the extent such institution continues to be in effect) against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;
- (g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) (above); or
- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"Insurance Policy" means any policy of insurance or assurance in which an Obligor may at any time have an interest entered into in accordance with the terms of the Senior Facilities Agreement.

"Interpolated Screen Rate" means, in relation to LIBOR for the Underlying Loan or Unpaid Sum, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Underlying Loan or Unpaid Sum; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Underlying Loan or Unpaid Sum,

each of the Rate Fixing Time on the Quotation Day for that Underlying Loan or Unpaid Sum.

"Insurance Prepayment Proceeds" means the proceeds of any insurance claim received by any member of the Group except for Excluded Insurance Proceeds and after deducting any reasonable fees, costs and expenses in relation to that claim which are incurred by any member of the Group to persons who are not members of the Group (other than any Investor Affiliate).

"Interest Shortfall Account" means the account designated as such required to be opened and maintained by an Obligor in accordance with clause 8.1 (Opening of Control Accounts) of the Senior Facilities Agreement and includes the interest of that Obligor in any replacement account or sub division or sub-account of that account.

"Investor" means any fund and/or other entity managed, advised, owned and/or controlled by The Blackstone Group L.P. and/or any of its Affiliates.

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

"Investor Debt" means any Financial Indebtedness owed by a Pledgeco to any of its Holding Companies provided that (unless the Facility Agent (acting on the instructions of the Majority Lenders) agrees otherwise in writing) such Financial Indebtedness is subordinated to the Secured Liabilities under the terms of the Subordination Agreement:

"Jersey Obligor" means each Obligor incorporated under the laws of Jersey.

"JPUT" means each of:

- (a) The CG International Cutlers Garden Unit Trust, a property unit trust established in accordance with Article 7(3) of the Trusts (Jersey) Law 1984 upon the terms of the relevant JPUT Unit Trust Instrument; and
- (b) The CG International Cutlers Garden Global Unit Trust, a property unit trust established in accordance with Article 7(3) of the Trusts (Jersey) Law 1984 upon the terms of the relevant JPUT Unit Trust Instrument.

"JPUT Income " has, in respect of a JPUT, the meaning given to "Trust Income" in the JPUT Unit Trust Instrument in respect of that JPUT.

"JPUT Trustee " means:

- (a) on the date of the Senior Facilities Agreement and in respect of The CG International Cutlers Garden Unit Trust, Cutlers Gardens Jersey (No.1) Trustee Limited;
- (b) on the date of the Senior Facilities Agreement and in respect of The CG International Cutlers Garden Global Unit Trust, Cutlers Gardens Jersey (No.1) Trustee Limited; and
- (c) anyone else appointed as trustee of a JPUT in accordance with the terms of the Senior Facilities Agreement.

"JPUT Unit " means an individual unit in a JPUT and includes fractions of each such unit.

"JPUT Unit Trust Fund " means, in respect of a JPUT, all cash and other assets for the time being held by the JPUT Trustee in respect of that JPUT under the terms of the relevant JPUT Unit Trust Instrument (but, for the avoidance of doubt, not including any JPUT Income).

"JPUT Unit Trust Instrument " means:

- (a) in respect of The CG International Cutlers Garden Unit Trust, the unit trust instrument dated 25 June 2004.
- (b) in respect of The CG International Cutlers Garden Global Unit Trust, the unit trust instrument dated 25 June 2004.

"JPUT Unitholders " means, in respect of each JPUT, each Pledgeco.

"Last Utilisation Election" means the election made by the Company in writing that the conditions in clause 4.3(b) of the Senior Facilities Agreement will not apply.

"Lease" means any present or future lease, underlease, sub-lease, licence, tenancy or right to occupy all or any part of any Property, any right to receive rent in respect of any Property and any agreement for the grant of any of the foregoing.

"Lease End Date" means, in respect of an Occupational Lease, the earlier of:

- (a) the earliest date that a break clause exercisable by the tenant under that Occupational Lease may become effective; and
- (b) the end of the term of that Occupational Lease.

"Legal Reservations" means:

- (a) the principle that equitable remedies (or remedies that are similar to equitable remedies in any Relevant Jurisdiction) may be granted or refused at the discretion of a court, the limitation of enforcement by laws relating to insolvency, reorganisation, liquidation, bankruptcy, moratoria, administration, court schemes and other laws generally affecting the rights of creditors and similar principles, rights, defences and limitations under the laws of any applicable jurisdiction;
- (b) the time barring of claims under any applicable limitation laws, the possibility that a court may strike out provisions of a contract as being invalid for reasons of oppression, undue influence or similar reasons, the possibility that an undertaking to assume liability for or indemnify a person against non payment of stamp duty may be void, defences of set off or counterclaim and similar principles, rights, defences and limitations under the laws of any applicable jurisdiction;
- (c) any applicable public policy law provision and/or rules of mandatory application including EC Regulation no. 593/2008, 44/2001 (and, with regard to legal proceedings instituted on or after January 2015, pursuant to Regulation (EU) No. 1215/2012) and 864/2007;
- (d) any applicable provisions relating to conflict of law rules and recognition and enforcement of foreign judgments pursuant to EC Regulations no. 593/2008, 864/2007 and/or 1215/2012; and
- (e) any other general principles, reservations or qualifications, in each case, as to matters of law in any legal opinion delivered under or in connection with the Finance Documents.

"Lender" means:

- (a) the Original Lender; and
- (b) any person, bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with the provisions of the Senior Facilities Agreement, which in each case has not ceased to be a Lender in accordance with the terms of the Senior Facilities Agreement.

"Letting Activity" means each of the following: entering into any Agreement for Lease; granting a new Occupational Lease; consenting to any assignment or sub-letting in respect of any Occupational Lease; consenting to any change of use in respect of any tenant's interest under any Occupational Lease; forfeiting or exercising any right of re-entry, or exercising any option or power to break, determine or extend the term of any Occupational Lease; accepting or permitting the surrender of all or any part of any Occupational Lease; agreeing to any dilapidations settlement under any Occupational Lease; agreeing to any rent review under an Occupational Lease (other than upward rent review); or agreeing to any amendment, extension or waiver in respect of any Occupational Lease.

"LTV Ratio" means, on any date, the proportion expressed as a percentage which Net Debt on that date bears to the aggregate market value of the Properties on that date calculated by reference to the then most recent Valuation.

"LTV Ratio Test Date" means the first Interest Payment Date falling after a Valuation Date provided that the first LTV Ratio Test Date shall be no earlier than the first Interest Payment Date falling on or immediately after 17 May 2017.

"Luxembourg Obligor" means an Obligor incorporated or established in Luxembourg.

"Major Capex Account" means the Major Capex Account (Building 8), the Major Capex Account (Building 10) and the Major Capex Account (Building 11).

"Major Capex Contract" means each Principal Major Capex Contract, each Employer's Agent Appointment Agreement and any other contract entered into between any Obligor and a contractor or any other counterparty in respect of a Major Capex Programme, including all documents referred to in those contracts.

"Major Capex Programme " means each of:

- (a) the capital expenditure programme in respect of Building 8;
- (b) the capital expenditure programme in respect of Building 10; and
- (c) the capital expenditure programme in respect of Building 11;

in each case, as more detailed in the Capex Programme Plan.

"Major Capex Programme Approved Costs" means, in respect of any Major Capex Programme, any contracted costs (including any VAT payable in connection therewith) of that Major Capex Programme in respect of which invoices have been approved by the relevant Project Monitor (acting reasonably) and which the Project Monitor has confirmed form part of a category of costs and expenses specified in the Budgeted Costs (which may include, for the avoidance of doubt, costs and expenses for any category in excess of the amount specified in the Budgeted Costs for that category).

"Minor Capex Account" means the account designated as such required to be opened and maintained by an Obligor in accordance with clause 8.1 (Opening of Control Accounts) of the Senior Facilities Agreement and includes the interest of that Obligor in any replacement account or sub division or sub-account of that account.

"Minor Capex Programme" means the capital expenditure programme as more detailed in the Capex Programme Plan (excluding any part of such capital expenditure programme that is part of a Major Capex Programme).

"Majority Lenders" means:

- (a) if there are no Underlying Loans then outstanding, a Lender or Lenders whose Commitments aggregate more than 66⅔% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66⅔% of the Total Commitments immediately prior to the reduction); or
- (b) at any other time, a Lender or Lenders whose participations in the Underlying Loans then outstanding aggregate more than 66⅔% of all the Underlying Loans then outstanding.

"Material Adverse Effect" means a material adverse effect on:

- (a) the consolidated business, assets or financial condition of the Obligors taken as a whole;

- (b) the ability of the Obligors taken as a whole to perform their payment obligations under the Finance Documents; or
- (c) subject to the Legal Reservations and the Perfection Requirements, the validity or enforceability of the Transaction Security.

"Material Event of Default" means:

- (a) an Event of Default arising under clause 25.1 (Non-payment) of the Senior Facilities Agreement;
- (b) an Event of Default arising under clause 25.7 (Insolvency) of the Senior Facilities Agreement; or
- (c) an Event of Default arising under clause 25.8 (Insolvency proceedings) of the Senior Facilities Agreement.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period. **"Monthly"** shall be construed accordingly.

"Net Debt" means, on any date, the aggregate principal amount outstanding of the Loans minus the aggregate amount standing to the credit of the Prepayment Account, the Cash Trap Account, the Interest Ledger Sub-Account, the Opex Ledger Sub-Account and the Equity Cure Account (subject to any adjustments as set out in the definition of Cash Trap Event, Reserve Release Event, clause 8.7(d) (Cash Shortfall Account), clauses 8.8(b) and (c) (Cash Trap Account) and clause 8.9 (Equity Cure Account) of the Senior Facilities Agreement, in each case, on that date.

"Net Rental Income" means Rental Income in respect of each Property after deducting (without double counting):

- (a) all Service Charge Proceeds in relation to each Property;
- (b) any sum representing any VAT chargeable in respect of Rental Income; and
- (c) all Irrecoverable Service Charge Expenses in relation to each Property.

"New Property Management Agreement" means each property management agreement between an Obligor and a Property Manager in relation to the management and/or maintenance of any Properties and which replaces an existing Property Management Agreement:

- (a) the material terms of which are consistent with those of the existing Property Management Agreement it replaces (if any); or
- (b) which is otherwise in form and substance satisfactory to the Facility Agent (acting reasonably).

"Obligor" means an Underlying Borrower or a Guarantor.

"Occupational Lease" means any Lease to which an Obligor's interest in any of its Properties is subject.

"Partial Expropriation Release Price" means, if part only of a Property is the subject of an Expropriation, an amount equal to:

- (a) the Release Price for that Property divided by the value of that Property (as set out in the Initial Valuation);

multiplied by:

- (b) the value of that Property (as set out in the Initial Valuation) minus the value of that Property (as set out in the Valuation commissioned as a result of such Expropriation).

"Partnership Agreement" means each limited partnership agreement of the Underlying Borrowers establishing the relevant Underlying Borrower between the relevant General Partner and the relevant Limited Partner.

"Party" means a party to the Senior Facilities Agreement.

"Perfection Requirement" means:

- (a) the delivery of all certificates of title to securities which are the subject of Transaction Security to the Security Agent, together with signed but otherwise undated transfer forms and notices and acknowledgements duly executed in the form required pursuant to each Transaction Security Document; and
- (b) the making or the procuring of registrations, filings, endorsements, notarizations, translations, stampings, notifications, acknowledgements and/or acceptances of the Transaction Documents (and/or the Security created thereunder) necessary for the validity, enforceability (as against the relevant Obligor as well as any third party) and/or perfection thereof.

"Permitted Capex Project" means any Capex Project which:

- (a) is in respect of a Major Capex Programme;
- (b) is in respect of the Minor Capex Programme;
- (c) is a Recoverable Service Charge Project;
- (d) is required to be undertaken by law;
- (e) is required to be undertaken by an Obligor under the terms of any Lease;
- (f) is made with the prior written consent of the Majority Lenders (such consent not to be unreasonably withheld or delayed);
- (g) is required to be undertaken or permitted to be undertaken by a tenant under the terms of any Lease provided that the costs and expenses in connection with such Capex Project are not required to be paid (and are not paid for) for in whole or in part by any Obligor;
- (h) can be funded from the aggregate amount standing to the credit of the General Accounts and which has projected costs (as at the date of commencement of such Capex Project) of less than or equal to £5,000,000 as at the date of commencement of such Capex Project) provided that no Default is continuing or would occur as a result of undertaking such Capex Project and such Capex Project is in the interests of and is implemented in accordance with the principles of good estate management; or

- (i) is necessary to ensure that no Event of Default under clause 25 (Major damage) of the Senior Facilities Agreement occurs and which can be funded from the aggregate amount standing to the credit of the General Accounts and any Excluded Insurance Proceeds that the relevant insurer has committed to advance under any Insurance Policy.

"Permitted Disposal" means:

- (a) a disposal of obsolete non real estate assets which are no longer required for the operation of the disposing Obligor's business;
- (b) any disposal pursuant to an Expropriation provided that the Expropriation Prepayment Proceeds received in respect of such Expropriation are paid upon receipt by the relevant Obligor into the Prepayment Account in accordance with paragraph (e)(iv) of clause 8.4 (Payments into Control Accounts) of the Senior Facilities Agreement for application in accordance with clause 7.6 (Permitted Property Disposal Prepayment Proceeds, Expropriation Prepayment Proceeds, Insurance Prepayment Proceeds and Recovery Prepayment Proceeds) of the Senior Facilities Agreement;
- (c) a disposal of any asset (other than of any Control Account, any shares in an Obligor or any Property) made by one Obligor to another Obligor;
- (d) expenditure of cash for purposes in compliance with the Finance Documents;
- (e) any disposal pursuant to or by way of an Agreement for Lease and/or an Occupational Lease existing on the date of the Senior Facilities Agreement or permitted pursuant to clause 24.3 (Occupational Leases) of the Senior Facilities Agreement;
- (f) a disposal (other than a disposal of any shares in an Obligor or of a Property) made with the prior written consent of the Majority Lenders;
- (g) a disposal arising as a result of Permitted Security;
- (h) a Permitted Property Disposal;
- (i) any disposal of any person that has ceased to be an Obligor in accordance with the terms of the Finance Documents;
- (j) any disposal provided that the aggregate outstanding principal amount of the Underlying Loans are repaid and all other Secured Liabilities are irrevocably discharged in full on or prior to completion of such disposal; and
- (k) any other disposals where the aggregate value of the assets so disposed of by members of the Group (other than in accordance with paragraphs (a) to (g) (inclusive) above) in any Financial Year does not exceed £50,000 (or its currency equivalent).

"Permitted Letting Activity" means any Letting Activity which is:

- (a) contracted on arm's length terms and is in the interests of good estate management;
- (b) the exercise by an Obligor of any right to forfeit or exercise any right of re-entry in respect of, or exercise any option or power to break or determine, any Occupational Lease in circumstances where the tenant of the relevant Occupational Lease is in breach of its obligations under the relevant Occupational Lease to pay rent or is otherwise insolvent;
- (c) an acceptance or agreement to any Letting Activity required to be given pursuant to any applicable law or regulation;

- (d) made in accordance with the terms of any Agreement for Lease (provided that such Agreement for Lease is allowed to subsist, has been entered into in accordance with the terms of the Senior Facilities Agreement or was entered into prior to the First Utilisation Date); or
- (e) made with the prior written consent.

"Permitted Property Disposal" means a disposal of any Property (or of the shares in the Obligor which owns that Property) or any Residential Unit *provided that*:

- (a) on completion of such disposal an amount not less than the Permitted Property Disposal Prepayment Proceeds in respect of that Property or Residential Unit is paid into the Prepayment Account (such payment being funded from the Disposal Proceeds in respect of that disposal and/or proceeds of Equity Contribution(s) and/or Subordinated Loans and/or monies standing to the credit of a General Account);
- (b) on the date such disposal is contracted, no Default is continuing (or, if a Default is continuing, it would be remedied as a result of the completion of that disposal) or would result from completion of that disposal;
- (c) assuming that such disposal completes on the next Interest Payment Date, no Cash Trap Event will occur on such Interest Payment Date (**provided that** when calculating Projected Net Rental Income, Projected Interest Costs and Net Debt for such purpose it shall be assumed that:
 - (i) the Permitted Property Disposal Prepayment Proceeds have been prepaid; and
 - (ii) no Net Rental Income is receivable in respect of the Property or any Residential Unit the subject of that disposal); and
- (d) such disposal is made on arms' length terms.

"Permitted Property Disposal Prepayment Proceeds" means, in respect of a Permitted Property Disposal, an amount equal to the aggregate of:

- (a) the Release Price in respect of the Property or Properties the subject of that Permitted Property Disposal; and
- (b) any amounts that will become due and payable pursuant to the terms of the Senior Facilities Agreement in connection with the prepayment of the amount set out in paragraph (a) above.

"Permitted Security" means:

- (a) any Security which is discharged on the First Utilisation Date;
- (b) any easement or other agreement or arrangement having similar effect which is granted in connection with a Permitted Letting Activity provided that the grant of such easement or arrangement does not adversely affect the value of the relevant Property or restrict the rights of any Finance Party under the Transaction Security Documents;
- (c) any easement or other agreement or arrangement having similar effect which exists on the First Utilisation Date and is disclosed in a Report;
- (d) any Security arising under the Finance Documents;
- (e) any Security arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group provided that it is discharged within 60 days of coming into existence;

- (f) any netting or set off arrangement under the Hedge Documents or Security entered into by any Obligor to comply with the requirements of the standard terms of business of any account bank but only so long as (i) such arrangement does not permit credit balances of any Obligor to be netted or set off against debit balances of persons who are not Obligors and (ii) such arrangement does not give rise to other Security over the assets of Obligors in support of liabilities of persons who are not Obligors;
- (g) any Security arising under any retention of title arrangements, any hire purchase or conditional sale arrangement or arrangements having similar effect in each case, in respect of goods supplied to an Obligor in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission by an Obligor; and
- (h) any Security arising by operation of Luxembourg law in favour of tax and other public authorities.

"Planning Laws" means, in relation to a Property, all applicable laws, regulations, by laws, instructions and standards whether national or local with regard to town, country or city planning, building and construction, space occupation, building fire and safety, demolition or employee protection (to the extent dealing with building safety) and listed buildings, historical or monumental status.

"Pledgeco" means each of the Company and Rhino 2 S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated under the laws of Luxembourg with its registered office at 2-4, rue Eugène Ruppert, L-2453 Luxembourg being registered with the Register of Commerce and Companies in Luxembourg under number B168322 and with a share capital as at the date of the Senior Facilities Agreement of GBP 15,000.

"PMA Change" means any amendment, variation, novation, forego or waiver of any provision, right of condition, arising in or under any property management agreement.

"Practical Completion" means, in respect of a Major Capex Programme, the date upon which the Certificate of Practical Completion is issued in respect of that Major Capex Programme.

"Prepayment Account" means the account designated as such required to be opened and maintained by an Obligor in accordance with the terms of the Senior Facilities Agreement and, in each case, includes that Obligor's interest in any replacement account or sub-division or sub-account of that account.

"Prepayment Fees" means a prepayment fee in the amount and at the times set out in the Prepayment Fee Letter.

"Prepayment Fee Letter" means the letter dated on or about the date of the Senior Facilities Agreement between the Facility Agent and the Company setting out the prepayment fee referred to in the Senior Facilities Agreement.

"Principal Major Capex Contract" means, in respect of a Major Capex Programme, the principal building contract in respect of that Major Capex Programme delivered pursuant to clause 4.3 (Conditions Precedent to Capex Facilities) of the Senior Facilities Agreement.

"Proceeds" means any payment for Service Charge Expenses (including any VAT paid in respect thereof).

"Project Monitor" means:

- (a) Arcadis LLP; or

(b) any other person as may be agreed from time to time between the Company (acting reasonably) and the Facility Agent (acting on the instructions of the Majority Lenders (acting reasonably)).

"Projected Adjusted Net Rental Income" means, for any Relevant Period, Projected Net Rental Income for that Relevant Period after including any amounts deposited and standing to the credit of the Interest Ledger Sub-Account on the date of delivery of the relevant Compliance Certificate.

"Projected Debt Yield" means, on any Interest Payment Date, the ratio of Projected Net Rental Income for the Relevant Period commencing on the Financial Quarter Date falling immediately prior to that Interest Payment Date to Net Debt on that Interest Payment Date.

"Projected ICR" on any date, the ratio of Projected Adjusted Net Rental Income to Projected Interest Costs, in each case, in respect of the Relevant Period commencing on the Financial Quarter Date falling immediately prior to that date.

"Projected Interest Costs" means, for any Relevant Period, the sum of all accrued interest on the Underlying Loans and the Agency Fees which shall be payable by the Obligor to the Finance Parties under the Finance Documents during that Relevant Period assuming that:

- (a) Underlying Loan LIBOR will be the arithmetic mean of the aggregate of the Relevant Rates for each Underlying Loan Interest Payment Date during that Relevant Period;
- (b) in respect of any Relevant Period which includes a period falling after the Final Repayment Date (a **"Post-Maturity Period"**):
 - (i) the Underlying Loans outstanding on the first day of the Relevant Period remain outstanding for the duration of the Relevant Period; and
 - (ii) any calculation of interest remains on the same basis in respect of such Post-Maturity Period as the calculation of interest applicable immediately prior to the commencement of the Post-Maturity Period as if the Final Repayment Date had not occurred; and
- (c) an amount equal to the amount standing to the credit of the Prepayment Account, the Cash Trap Account and the Equity Cure Account (in each case only to the extent such amounts will be applied in prepayment of the Underlying Loans on the next Interest Payment Date) was applied in prepayment of the Underlying Loans on the first day of that Relevant Period.

"Projected Interest Shortfall" means, on any Interest Payment Date, the amount (if any) by which it is projected (as shown in the Compliance Certificate most recently delivered to the Facility Agent prior to that Interest Payment Date) that the aggregate amount of the payments referred to in subparagraphs (ii) to (v) of clause 8.5(b) (Rental Income Account) of the Senior Facilities Agreement to be made on such Interest Payment Date exceed the projected aggregate amounts standing to the credit of the Rental Income Accounts on such Interest Payment Date.

"Projected Net Rental Income" means, for any period, the sum of all Net Rental Income which shall be received by the Obligor under any Occupational Lease in respect of the Property during that period after:

- (a) deducting:
 - (i) any payments for dilapidations under any Occupational Lease;
 - (ii) any deduction or withholding for or on account of Tax from any Rental Income for such period; and

- (iii) any amount that constitutes a Surrender Premium which is contracted to be received during that period;
- (b) adding the aggregate of the Surrender Permitted Amounts in respect of any Occupational Leases for each of the Interest Payment Dates in that period; and
- (c) assuming that:
 - (i) break clauses that can become effective to break an Occupational Lease during that period will be treated as having become effective to break that Occupational Lease on the earliest date on which a break of that Occupational Lease under such break clause can become effective to break that Occupational Lease and the relevant Property or portion thereof (as applicable) will be treated as remaining vacant thereafter unless:
 - (A) the period for exercise of such break clause has expired without such break clause being exercised;
 - (B) a binding and unconditional confirmation has been received from the relevant tenant that it will not be exercising such break clause; or
 - (C) such Occupational Lease is being replaced by a new binding and unconditional Occupational Lease (excluding, for the avoidance of doubt, any condition which requires the previous tenant to vacate that Property or portion thereof (as applicable)) following exercise of the relevant break clause, in which case, the amount of Rental Income allocated to that Property or portion thereof (as applicable) shall include the amount of Rental Income receivable under such new Occupational Lease;
 - (ii) Rental Income will only be taken into account where a binding and unconditional Occupational Lease exists (excluding, for the avoidance of doubt, any condition which requires the previous tenant to vacate the relevant Property or portion thereof (as applicable));
 - (iii) if an Occupational Lease (the **"Expiring Occupational Lease"**) is due to expire during the Relevant Period, the relevant Property or portion thereof (as applicable) relating to the Expiring Occupational Lease will be treated as remaining vacant thereafter other than to the extent that a new binding and unconditional Occupational Lease exists in relation to the Property (or a portion thereof) (excluding, for the avoidance of doubt, any condition which requires the previous tenant to vacate the Property or portion thereof (as applicable)) in respect of any period falling between the expiry of the relevant Expiring Occupational Lease and the last day of the Relevant Period and provided that the assumptions specified in this paragraph (c) shall apply to that new Occupational Lease;
 - (iv) any portion of Rental Income payable under any Occupational Lease that is turnover rent will not be taken into account;
 - (v) potential Rental Income increases as a result of rent reviews during that Relevant Period will be ignored other than where:
 - (A) unconditionally ascertained under contractual or fixed Rental Income increase provisions (or other provisions which do not require the consent of the relevant tenant under that Occupational Lease), in each case, under the terms of the relevant Occupational Lease; or
 - (B) a Rental Income increase is agreed with the relevant tenant;

- (vi) rent receivable under an Occupational Lease from a tenant in arrears (provided that the term "arrears" shall not include any arrears arising due to arrangements between an Obligor (or a Property Manager on its behalf) and a tenant whereby a tenant is permitted to pay rent Monthly in advance rather than quarterly in advance) under that Occupational Lease for more than three months will not be included (unless a guarantor is keeping such rent current);
- (vii) Rental Income in respect of any Occupational Lease in the name of any Obligor or Investor Affiliate will be ignored unless that Obligor or Investor Affiliate is in actual occupation of the part of the Property to which that Occupational Lease relates to; and
- (viii) for the avoidance of doubt, with regards to any Occupational Lease which benefits from a rent free period, the Rental Income for such rent free period will be deemed to be zero.

"Projected Opex Shortfall" means, on any Interest Payment Date, the amount (if any) by which it is projected (as shown in the Compliance Certificate most recently delivered to the Facility Agent prior to that Interest Payment Date) that the aggregate amount of the payments referred to in subparagraphs (i) and (vi) of clause 8.5(b) (Rental Income Account) of the Senior Facilities Agreement to be made on such Interest Payment Date exceed the projected aggregate amounts standing to the credit of the Rental Income Accounts after an amount equal to the Projected Interest Shortfall for that Interest Payment Date (if any) is transferred to the Rental Income Account(s) from the Interest Ledger Sub-Account and the payments referred to in subparagraphs (ii) to (v) of clause 8.5(b) (Rental Income Account) of the Senior Facilities Agreement have occurred, in each case, on such Interest Payment Date.

"Propco" means each Obligor that is named in the column "Beneficial Owner" in listed in Appendix 2 (*The Properties*) of this Offering Circular.

"Property" means each of the properties listed in Appendix 2 (*The Properties*) of this Offering Circular and any other present or future freehold and/or leasehold property and any other interest in land or buildings and all rights relating thereto, in each case howsoever described, in which an Obligor has an interest from time to time provided that any property (or part thereof) which is the subject of an Expropriation or a Permitted Property Disposal shall cease to be included in this definition following completion of that Permitted Property Disposal or Expropriation,

"Property Management Agreement" means each Initial Property Management Agreement and each New Property Management Agreement, as the case may be.

"Property Manager" means each of, from time to time:

- (a) the Initial Property Manager;
- (a) any Investor Affiliate whose primary business to act as property manager or managing agent of commercial properties; and/or
- (b) any other person as may be agreed from time to time between the Company (acting reasonably) and the Facility Agent (acting on the instructions of the Majority Lenders (acting reasonably)),

in each case, to the extent appointed as a property manager or managing agent of any Properties (or any part thereof) pursuant to a Property Management Agreement (which has not been terminated) **provided that** there may be multiple Property Managers with different responsibilities in relation to any Properties at any time.

"Protected Party" means a Finance Party which is or will be, for or on account of Tax, subject to any liability or required to make any payment in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"Qualifying Lender" means:

- (a) a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:
 - (i) a Lender:
 - (1) which is a bank (as defined for the purpose of section 879 of the Income Tax Act 2007 (the **"ITA"**)) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the Corporation Tax Act 2009 (the **"CTA"**); or
 - (2) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or
 - (ii) a Lender which is:
 - (1) a company resident in the United Kingdom for United Kingdom tax purposes;
 - (2) a partnership each member of which is:
 - (a) a company so resident in the United Kingdom; or
 - (b) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
 - (3) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company;
 - (iii) a Treaty Lender; or
- (b) a Lender which is a building society (as defined for the purpose of section 880 of the ITA) making an advance under a Finance Document; or
- (c) a Lender which is entitled to the benefit of sovereign immunity in respect of United Kingdom Tax and is entitled on that basis to receive payments of interest under a Finance Document without a Tax Deduction imposed by the United Kingdom.

"Quarterly Management Report" means a quarterly management report in respect of the Property and the business of each of the Obligor in the form set scheduled to the Senior Facilities Agreement,

in each case, for the Financial Quarter ending on the Financial Quarter Date falling immediately prior to delivery of that quarterly management report.

"Quotation Day" means, in relation to any period for which an interest rate is to be determined, the first day of that period.

"Rate Fixing Time" means, on any day, 11.00 a.m. on that day.

"Receiver" means a receiver, manager or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"Recoverable Service Charge Project" means a Capex Project if the entire cost of such Capex Project is recoverable from the tenants of any Property by way of Service Charge Proceeds.

"Recovery Claim" has the meaning given to such term in the definition of Recovery Prepayment Proceeds.

"Recovery Prepayment Proceeds" means the proceeds of a claim (a Recovery Claim) against:

- (a) the provider of any Report (in its capacity as a provider of that Report); or
- (b) any counterparty to a construction contract or collateral warranty (in its capacity as counterparty to that construction contract or collateral warranty (as applicable)) with, or benefitting, an Obligor,

in each case, except for Excluded Recovery Proceeds, and after deducting:

- (i) any reasonable fees, costs and expenses which are incurred by any member of the Group to persons who are not members of the Group nor Investor Affiliates; and
- (ii) any Tax incurred and required to be paid by a member of the Group (on the basis of existing rates and taking into account any available credit, deduction or allowance),
- (iii) in each case, in relation to that **Recovery Claim**.

"Reference Banks" means the principal office in London of Barclays Bank PLC, HSBC Bank plc and Lloyds Bank plc or such other banks as may be appointed by the Facility Agent in consultation with the Company.

"Reference Bank Rate" means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facility Agent at its request by the Reference Banks:

- a) (other than where paragraph (b) below applies) as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period; or
- (b) if different, as the rate (if any and applied to the relevant Reference Bank and the relevant currency and period) which contributors to the Screen Rate are asked to submit to the relevant administrator.

"Reference Day" means, in relation to any Relevant Period, the date falling not more than five Business Days before the date of the most recent Compliance Certificate delivered in that Relevant Period.

"Release Cash Trap Amount" means the payment of a Cash Trap Amount into the Cash Trap Account. "

Release Price" means:

- (a) in respect of a Residential Property, 115% of the Allocated Loan Amount in respect of that Property; and
- (b) in respect of a Residential Unit, an amount equal to the Residential Unit Release Price in respect of that Residential Unit; and
- (c) in respect of any Property which is not a Residential Property, the greater of:
 - (i) 145% of the Allocated Loan Amount in respect of that Property; and
 - (ii) 100% of the Disposal Proceeds in respect of the disposal of that Property.

"Relevant Jurisdiction" means, in relation to a Transaction Obligor:

- (a) its jurisdiction of incorporation or formation;
- (b) the jurisdiction of its Centre of Main Interest;
- (c) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;
- (d) any jurisdiction where it conducts its business; and
- (e) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

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

"Relevant Rate" means:

- (a) in respect of the first Underlying Loan Interest Payment Date in any Relevant Period, the lower of the rate equal to that shown by paragraph (a) of the definition of Annual Forward Looking three-Month LIBOR for that Relevant Period and the weighted average strike rate for that Underlying Loan Interest Payment Date under the relevant Hedge Documents (if any);
- (b) in respect of the second Underlying Loan Interest Payment Date in any Relevant Period, the lower of the rate equal to that shown by paragraph (b) of the definition of Annual Forward Looking three-Month LIBOR for that Relevant Period and the weighted average strike rate for that Underlying Loan Interest Payment Date under the relevant Hedge Documents (if any);
- (c) in respect of the third Underlying Loan Interest Payment Date in any Relevant Period, the lower of the rate equal to that shown by paragraph (c) of the definition of Annual Forward Looking three-Month LIBOR for that Relevant Period and the weighted average strike rate for that Underlying Loan Interest Payment Date under the relevant Hedge Documents (if any); and
- (d) in respect of the fourth Underlying Loan Interest Payment Date in any Relevant Period, the lower of the rate equal to that shown by paragraph (d) of the definition of Annual Forward Looking three-Month LIBOR for that Relevant Period and the weighted average strike rate for that Underlying Loan Interest Payment Date under the relevant Hedge Documents (if any),

provided that if the Underlying Loans are subject to Hedge Documents with a notional amount of less than 100% of the outstanding principal amount of the Underlying Loans in respect of any Underlying Loan Interest Payment Date, the determination under paragraph(s) (a)-(d) (as applicable) above will be adjusted to reflect the estimate of LIBOR for the Underlying Loans for that Interest Payment Date.

"Rent Deposit Account" means any account (other than a Control Account) held with a bank which has a Requisite Rating in which an Obligor has an interest which is solely maintained for the purpose of holding rent deposits in respect of Occupational Leases.

"Rent Collection Account" means the account designated as such required to be opened and maintained by CG Courtyard (Jersey) Limited in accordance with clause 8.1 (Opening of Control Accounts) of the Senior Facilities Agreement and includes the interests of CG Courtyard (Jersey) Limited in any replacement account or sub-division or sub account of that account.

"Rental Income" means all sums paid or payable to or for the benefit of any Obligor arising from the letting, use or occupation of all or any part of each Property, including (without limitation and without double counting):

- (a) rents, licence fees and equivalent sums reserved, paid or payable;
- (b) sums received or receivable from any deposit held as security for performance of any tenant's obligations under an Occupational Lease to the extent such sums are not required to be held as deposit or security under such Occupational Lease and are released to the relevant Obligor as landlord under that Occupational Lease;
- (c) any other monies paid or payable in respect of occupation and/or usage of any Properties and any fixture and fitting on any Properties including any fixture on any Properties for display or advertisement, on licence or otherwise;
- (d) proceeds of insurance in respect of loss of rent or interest on rent;
- (e) any Service Charge Proceeds;
- (f) payments made in respect of a breach of covenant or dilapidations under any Occupational Lease in relation to any Properties and for expenses incurred in relation to any such breach;
- (g) any contribution to a sinking fund paid by a tenant under its Occupational Lease;
- (h) any receipts from or the value of consideration given for the surrender or variation of any Occupational Lease;
- (i) any contribution by a tenant of the Property to ground rent (and other sums payable under any headlease) due under any Lease out of which the Underlying Borrower derives its interest in the Property;
- (j) interest, damages or compensation in respect of any of the items in this definition;
- (k) any payment from a guarantor or other surety in respect of any of the items listed in this definition;
- (l) any break payments that are received or receivable following the actual exercise of any break option under any Occupational Lease in the period for which Rental Income is being calculated; and
- (m) any amount in respect of or which represents VAT in respect of any of the sums set out in paragraphs (a)-(l) above,

but, in each case, excluding, for the avoidance of doubt any amount held or received as deposit or security under an Occupational Lease.

"Rental Income Account" means the account designated as such required to be opened and maintained by an Obligor in accordance with the Senior Facilities Agreement and includes the interests of that Obligor in any replacement account or sub-division or sub-account of that account.

"Reports" means:

- (a) the certificate of title to the Properties prepared by Herbert Smith Freehills LLP;
- (b) the construction due diligence report dated 12 May 2016 issued by Berwin Leighton Paisner LLP;
- (c) the environmental due diligence report dated July 2015 issued by Waterman Infrastructure & Environment Limited;
- (d) the tax due diligence report dated 13 May 2016 issued by PricewaterhouseCoopers LLP;
- (e) the financial due diligence report dated 13 May 2016 issued by PricewaterhouseCoopers LLP;
- (f) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to buildings 6, 7 and 8 basement car park and plant rooms Devonshire Square;
- (g) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to building 3 Devonshire Square;
- (h) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to buildings 4 and 5 Devonshire Square;
- (i) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to building 6 Devonshire Square;
- (j) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to building 7 Devonshire Square;
- (k) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to building 8 Devonshire Square;
- (l) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to building 9 Devonshire Square;
- (m) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to building 9a and Bengal Wing Devonshire Square;
- (n) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to building 10 Devonshire Square;
- (o) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to building 11 Devonshire Square;
- (p) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to The Tapestry Building, Devonshire Square;
- (q) the net internal area report dated July 2015 issued by CSL Surveys (Stevenage) Limited in relation to University House, Devonshire Square;

- (r) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to buildings 3 and 3a Devonshire Square;
- (s) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to Tapestry Building/Shield House, Devonshire Square;
- (t) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to building 4 Devonshire Square;
- (u) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to building 5 Devonshire Square;
- (v) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to building 6 Devonshire Square;
- (w) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to building 7 Devonshire Square;
- (x) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to building 8 Devonshire Square;
- (y) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to building 8a Devonshire Square;
- (z) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to building 9 Devonshire Square;
- (aa) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to building 9a Devonshire Square;
- (bb) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to building 10 Devonshire Square;
- (cc) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to building 11 Devonshire Square;
- (dd) the due diligence structural and MEP survey dated July 2015 issued by Waterman Structures Limited in relation to underground car park Devonshire Square; and
- (ee) the Tax Structure Paper,

and **Report** means any of them.

"Reports Side Letter" means the letter dated on or about the date of the Senior Facilities Agreement between The Blackstone Group International Partners LLP and the Facility Agent.

"Requisite Rating" means, the rating of long or short term (as appropriate) counterparty rating or unsecured debt instruments in issue by a person (which unsecured debt instruments are neither subordinated nor guaranteed) which meet the following requirements:

- (a) in relation to a bank or financial institution at which a Control Account, a Rent Deposit Account or a Collection Account is held (provided that for the purposes of determining the Requisite Rating of an Account Bank, the ratings held by a Holding Company of such Account Bank may be used), the rating of short term instruments with at least one of the following ratings: F1 (or better) by Fitch, P-1 (or better) by Moody's or A-1 (or better) by S&P;

- (b) in relation to any insurance company or underwriter, long term instruments or an insurer financial strength rating with at least one of the following ratings: A (or better) by AM Best, A (or better) by Fitch, A2 (or better) by Moody's or A (or better) by S&P; and
- (c) in relation to a Hedge Counterparty (provided that for the purposes of determining the Requisite Rating of a Hedge Counterparty, the ratings held by a Holding Company of such Hedge Counterparty which provides a guarantee of such Hedge Counterparty's obligations under the relevant Hedge Document may be used), long term instruments with at least one of the following ratings: A- (or better) by Fitch, A3 (or better) by Moody's or A- (or better) by S&P.

"Reserve Release Event Date" means the first Interest Payment Date on which all of the following conditions are satisfied:

- (a) no Default is continuing or would arise as a result of the transfer of all of the funds standing to the credit of the Cash Shortfall Account to any General Account(s);
- (b) no Cash Trap Event occurred on that Interest Payment Date and on the immediately preceding Interest Payment Date (provided that for the purposes of determining whether a Cash Trap Event has occurred on any such Interest Payment Date, the amounts standing to the credit of the Cash Trap Account, the Interest Ledger Sub-Account, the Opex Ledger Sub-Account and the Equity Cure Account, will not be deducted from Net Debt when calculating the Projected Debt Yield and the LTV Ratio); and
- (c) 80% of the lettable floor area of Building 8 and Building 11 is subject to Occupational Leases (in respect of which the lease term has commenced) each of which:
 - (i) has an initial term to first break of at least five years; and
 - (ii) has been entered into on arm's length terms and in the interests of good estate management.

"Residential Property" means floors 1 to 3 of Building 3.

"Residential Unit" means any part or unit of a Residential Property.

"Resignation Letter" means a letter substantially in the form set out in Schedule 11 (Form of Resignation Letter) of the Senior Facilities Agreement.

"Sanctioned Country" means any country or other territory which at the time of an applicable acquisition or accession is the subject of Sanctions.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any Sanctions Authority.

"Sanctions Authority" means:

- (a) the United States;
- (b) the United Nations Security Council;
- (c) the European Union;
- (d) the United Kingdom; or
- (e) the respective governmental institutions of any of the foregoing including, without limitation, Her Majesty's Treasury, the Office of Foreign Assets Control of the U.S. Department of the

Treasury (OFAC), the U.S. Department of Commerce, the U.S. Department of State and any other agency of the U.S. government.

"Sanctions Claim" means any claim, action, proceeding, investigation, notice or demand.

"Sanctions List" means any of the lists of specifically designated nationals or designated or sanctioned individuals or entities (or equivalent) issued by any Sanctions Authority, each as amended, supplemented or substituted from time to time.

"Sanctions Restricted Party" means any person that is:

- (a) listed on, or owned or controlled by a person listed on, a Sanctions List,
- (b) a government of a Sanctioned Country,
- (c) an agency or instrumentality of, or an entity directly or indirectly owned or controlled by, a government of a Sanctioned Country,
- (d) resident or located in, operating from, or incorporated under the laws of, a Sanctioned Country; or
- (e) to the best knowledge of any Obligor (acting with due care and enquiry), otherwise subject to Sanctions.

"Screen Rate" means, in relation to Underlying Loan LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Reuters page which displays that rate) or, on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters provided that if such page or service ceases to be available, the Facility Agent may specify another page or service displaying the relevant rate after consultation with the Company.

"Second Extended Repayment Date" means 15 May 2021.

"Second Extension Option Conditions " means each of the following conditions:

- (a) the Company has submitted an Extension Option Notice on any day during the Second Extension Option Period;
- (b) on the date of delivery to the Facility Agent of the Extension Option Notice:
- (c) no Default is continuing; and
- (d) no Default would occur as a result of the extension of the Final Repayment Date to the Second Extended Repayment Date; and
- (e) on or prior to the First Extended Repayment Date, Hedge Documents are entered into that comply with the provisions of clause 12 (Hedging) of the Senior Facilities Agreement or, as the case may be, Hedge Documents are amended such that the provisions of clause 12 (Hedging) of the Senior Facilities Agreement are complied with, in each case, in respect of the period from the First Extended Repayment Date to the Second Extended Repayment Date.

"Second Extension Option Period " means the period commencing on the date falling 90 days prior to the First Extended Repayment Date and ending on the date falling 30 days prior to the First Extended Repayment Date.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever and whether originally incurred by an Obligor or by some other person) of each Obligor to the Finance Parties (or any of them) under or in connection with any of the Finance Documents.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any easement or other agreement or arrangement having a similar effect.

"Security Agent Fee Letter" means the letter dated on or about the date of the Senior Facilities Agreement between the Security Agent and the Company setting out the fees referred to in the Senior Facilities Agreement.

"Service Charge Account" means the account designated as such required to be opened and maintained by an Obligor in accordance with clause 8.1 (Opening of Control Accounts) of the Senior Facilities Agreement and includes the interest of that Obligor in any replacement account or sub division or sub-account of that account.

"Service Charge Expenses" means (including any VAT paid in respect thereof):

- (a) any expense or liability incurred by a tenant under an Occupational Lease:
 - (i) by way of reimbursement of expenses incurred, or on account of expenses to be incurred, by or on behalf of an Obligor in the management, maintenance and repair or similar obligation of, or the provision of services specified in that Occupational Lease in respect of, any Properties and the payment of insurance premiums for any Properties; or
 - (ii) to, or for expenses incurred by or on behalf of, an Obligor for a breach of covenant where such amount is or is to be applied by an Obligor in remedying such breach or discharging such expenses;
- (b) any contribution to a sinking fund paid by a tenant under its Occupational Lease; and
- (c) any contribution paid by a tenant to ground rent and other sums due under the Headlease.

"Service Charge Proceeds" means any payment for Service Charge Expenses (including any VAT paid in respect thereof).

"Statutory Undertaking" means any agreement or undertaking under Section 106 of the Town and Country Planning Act 1990 or Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or Sections 38 or 278 of the Highways Act 1980 or any other similar Act or Acts relating to or affecting any Properties.

"Subordinated Creditor" has the meaning given to such term in the Subordination Agreement.

"Subordinated Creditor Accession Deed" has the meaning given to such term in the Subordination Agreement.

"Subordination Agreement" means the subordination agreement dated on or prior to the First Utilisation Date between, amongst others, the Company and the Facility Agent.

"Subordinated Loan" means any Financial Indebtedness owed by a member of the Group to another member of the Group provided that:

- (a) such Financial Indebtedness has been subordinated to the Secured Liabilities under the terms of the Subordination Agreement; and

- (b) the rights of the creditor in respect of such Financial Indebtedness are the subject of Transaction Security.

"Subsidiary" means in relation to any person, a person:

- (a) which is controlled, directly or indirectly, by the first mentioned person;
- (b) where more than half of the issued shares of such entity is beneficially owned, directly or indirectly by the first mentioned person; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned person,

and for this purpose, a person shall be treated as being controlled by another if that other person is able to direct its affairs and/or to control the composition of its board of directors or equivalent body whether through the ownership of voting shares, by contract or otherwise.

"Surrender Permitted Amount" means, on each Interest Payment Date following the surrender of an Occupational Lease, an amount equal to the amount of the Surrender Premium divided by the number of Interest Payment Dates falling in the period from the date of receipt of the Surrender Premium in respect of that surrender until the Lease End Date (assuming such Occupational Lease was not surrendered or the break option had not been exercised) in respect of that Occupational Lease.

"Surrender Premium" means in respect of a surrender of an Occupational Lease, the amount of any surrender premium payment (excluding, for the avoidance of doubt, any payment for dilapidations) received by an Obligor.

"Surrender Retention Amount" means, on any Interest Payment Date in relation to any Occupational Lease, the greater of:

- (a) zero; and
- (b) the Surrender Premium minus the aggregate of: (i) the Surrender Permitted Amount on that Interest Payment Date and (ii) the Surrender Permitted Amount on any prior Interest Payment Date, in each case, in relation to such Occupational Lease.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Tax Authority" means any fiscal, revenue, customs or excise authority anywhere in the world competent to collect, or administer matters relating to, Tax.

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"Tax Structure Paper" means the tax structuring report dated 13 May 2016 relating to the Transaction.

"Term Facility" means the Term Facility A or the Term Facility B, in each case, as the context so requires and the term **"Term Facilities"** shall be construed accordingly.

"Term Facility A Commitment" means:

- (a) in relation to Morgan Stanley Bank, N.A. £264,000,000; and
- (b) in relation to any other Lender, the amount of any Term Facility A Commitment transferred to it under the Senior Facilities Agreement,

to the extent not cancelled, reduced or transferred by it under the Senior Facilities Agreement or deemed to be zero pursuant to clause 44.2 (Debt Purchases by Investor Affiliates) of the Senior Facilities Agreement.

"Term Facility B Commitment" means:

- (a) in relation to Morgan Stanley Principal Funding, Inc. £48,000,000; and
- (b) in relation to any other Lender, the amount of any Term Facility B Commitment transferred to it under the Senior Facilities Agreement,

to the extent not cancelled, reduced or transferred by it under the Senior Facilities Agreement or deemed to be zero pursuant to clause 44.2 (Debt Purchases by Investor Affiliates) of the Senior Facilities Agreement.

"Topco" means Rhino Holdco S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated under the laws of Luxembourg with its registered office at 2-4, rue Eugène Ruppert, L-2453 Luxembourg being registered with the Register of Commerce and Companies in Luxembourg under number B168260 and with a share capital as at the date of the Senior Facilities Agreement of GBP 15,000.

"Total Capex Facility Commitments" means the aggregate of the Capex Facility A Commitments and the Capex Facility B Commitments.

"Total Commitments" means the aggregate of the Total Capex Facility Commitments and the Total Term Facility Commitments.

"Total Term Facility Commitments" means the aggregate of the Term Facility A Commitments and the Term Facility B Commitments.

"Transaction" means the transaction contemplated by the Transaction Documents.

"Transaction Costs" means all fees, costs and expenses and stamp, transfer, registration, notarial and other Taxes incurred by a member of the Group directly or indirectly in connection with the Transaction and the Transaction Documents.

"Transaction Document" means:

- (a) each Finance Document;
- (b) each Major Capex Contract;
- (c) each Property Management Agreement;
- (d) each asset management agreement to which an Obligor is party;
- (e) each Hedge Document;
- (f) the Headlease;
- (g) each Occupational Lease;
- (h) each Agreement for Lease; and
- (i) any other document designated as such by the Facility Agent and the Company.

"Transaction Obligor" means each Obligor and each Subordinated Creditor.

"Transaction Security" means the Security created or expressed to be created pursuant to a Transaction Security Document.

"Transaction Security Document" means each of:

- (a) a limited recourse share pledge over the shares in each Pledgeco;
- (b) a receivables pledge in respect of Investor Debt;
- (c) Global security interest agreement (including a security interest over units, shares and Control Accounts located in Jersey)
- (d) Composite debenture (including a charge over Control Accounts located in England, shares, partnership interests, an assignment of receivables under Insurance Policies, Hedge Documents and Occupational Leases and a mortgage over the Properties)
- (e) Account pledge in respect of its Control Accounts located in Luxembourg
- (f) Receivables pledge in respect of Subordinated Loans
- (g) Share pledge over the shares in Cutlers Gardens Estates Limited
- (h) any other document entered into at any time by a Transaction Obligor creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any of the Finance Parties as Security for any of the Secured Liabilities.

"Transfer Certificate" means a certificate substantially in the form scheduled to the Senior Facilities Agreement or any other form agreed between the Facility Agent (acting on the instructions of the Majority Lenders) and the Company.

"Treasury Transaction" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (including any currency or interest purchase, cap or collar agreement, forward rate agreements, interest rate or currency future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined interest rate and currency swap agreement and any other similar agreement) (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account).

"Treaty Lender" means a Lender which (a) (i) is resident for Tax purposes in a country which has a double taxation treaty in force with the United Kingdom which makes provision for full exemption from Tax imposed by the United Kingdom; and (ii) meets all other conditions in the relevant double taxation treaty for full exemption from Tax imposed by the United Kingdom on interest which solely relate to the Lender subject to the completion of any necessary procedural formalities (except that for this purpose it shall be assumed that any condition which relates (expressly or by implication) to there being (or not being) a special relationship between any Obligor and a Lender or between the Lender and another person or to the amount or terms of the Underlying Loans is satisfied); and (b) does not (i) carry on a business in the United Kingdom through a permanent establishment; or (ii) act from a Facility Office in the United Kingdom, in each case with which that Lender's participation in the Underlying Loans is effectively connected.

"Treaty State" means a jurisdiction having a double taxation agreement (a **"Treaty"**) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

"Unblocked Account" means each General Account, each Service Charge Account and the Minor Capex Account.

"Underlying Borrower" means CG Cutlers Gardens Limited Partnership, a limited partnership incorporated under the Partnership Act 1997 (whose registered number is LP7458) (acting by its general partners CG Cutlers Gardens (UK) No.1 Limited and CG Cutlers Gardens (UK) No.2 Limited) and CG Shield House Limited Partnership, a limited partnership incorporated under the Partnership Act 1997 (whose registered number is LP7459) (acting by its general partners CG Shield House (UK) No.1 Limited and CG Shield House (UK) No.2 Limited).

"Underlying Loan Interest Payment Date" means:

- (a) in relation to the Underlying Loan, 15 February, 15 May, 15 August and 15 November in each year and the Final Repayment Date provided that the first Underlying Loan Interest Payment Date shall be 15 May 2017; and
- (b) in relation to any Unpaid Sum, the last day of an Underlying Loan Interest Period relevant to that Unpaid Sum.

"Underlying Loan Interest Period" means, in relation to an Underlying Loan, an Unpaid Sum, each period determined in accordance with the terms of the Senior Facilities Agreement.

"Underlying Loan LIBOR" means:

- (a) in relation to the Underlying Loan made on the Cashless Utilisation Date on which interest is to accrue during the **"Interim Interest Period"**, 0.38438%;
- (b) in relation to the Underlying Loan or Unpaid Sum on which interest for a given period is to accrue at any time (other than in respect of the Interim Interest Period):
 - (i) the applicable Screen Rate;
 - (ii) (if no Screen Rate for Sterling is available for the Interest Period of that Underlying Loan or Unpaid Sum) the Interpolated Screen Rate for that Underlying Loan; or
 - (iii) (if no Screen Rate is available for Sterling for the Interest Period of that Underlying Loan or Unpaid Sum and it is not possible to calculate an Interpolated Screen Rate for that Underlying Loan or Unpaid Sum) the Reference Bank Rate for Sterling for that Interest Period,

as of, in the case of paragraphs (i) and (iii) above, at or about the Rate Fixing Time on the Quotation Day for that Underlying Loan or Unpaid Sum for a period equal in length to the Interest Period for that Underlying Loan or Unpaid Sum and if any such rate is less than zero, Loan LIBOR will be deemed to be zero.

"Underlying Loan Margin" means in respect of the Term Facility A and a Term Facility A Loan, the Term Facility B and a Term Facility B Loan, the Capex Facility A and a Capex Facility A Loan or in respect of the Capex Facility B and a Capex Facility B Loan, the percentage rate per annum set out in the applicable Underlying Loan Margin Letter.

"Underlying Loan Margin Letter" means each letter dated on or about the date of the Senior Facilities Agreement between the Facility Agent and the Company setting out how the applicable Underlying Loan Margin will be determined.

"Unpaid Sum" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"Utilisation" means the utilisation of a Facility.

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Underlying Loan is to be made.

"Utilisation Request" means a notice substantially in the form scheduled to the Senior Facilities Agreement and a Cashless Utilisation Request, in each case as the context requests.

"Valuation" means:

- (a) the Initial Valuation; and
- (b) any subsequent valuation instructed by (in accordance with and subject to the terms of the Senior Facilities Agreement) and in form and substance satisfactory to the Facility Agent (acting on the instructions of the Majority Lenders);

in each case prepared and issued by a Valuer and addressed to, and/or capable of being relied upon by, amongst others, each Finance Party valuing the Propco's interest in the Properties then owned by it and which is carried out on a "market value" basis (as defined in the then current Statements of Assets Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors' (or its successors)).

"Valuation Date" means each date on which is delivered to the Facility Agent in accordance with the terms of the Senior Facilities Agreement.

"Valuer" means each of Cushman & Wakefield, CBRE, Savills, Knight Frank or Jones Lang LaSalle or any other firm of chartered surveyors as may be agreed from time to time between Company and the Facility Agent in each case as appointed by the Facility Agent (for and on behalf of the Lenders) to act as valuer for the purposes of the Senior Facilities Agreement.

"VAT" means:

- (a) any tax imposed in compliance with the EC Directive 2006/112 of 28 November 2006 on the common system of value added tax; and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution or replacement for, or levied in addition to, such tax referred to in paragraph (a) above or elsewhere.

"VAT Group" means a group (or fiscal unity) for the purposes of VAT.

"VAT Return" means the VAT return submitted, no later than one Month and ten days after the end of each such calendar month, to HMRC in respect of expenditure under the Major Capex Programme in the previous month.

"VAT Recovery Payments" means the payment of any refund of VAT from a Tax Authority in respect of a Major Capex Programme or the Minor Capex Programme.

DESCRIPTION OF THE INTERCREDITOR DEED

The Intercreditor Deed was entered into between, among others, Morgan Stanley Bank, N.A. as Original Facility A Lender, Morgan Stanley Principal Funding, Inc. as Original Facility B Lender and the Original Debtors on 18 October 2016. In connection with the acquisition of the Underlying Loan, the Issuer will accede to the Intercreditor Deed as a Facility A Lender on the Closing Date. The Intercreditor Deed governs the interrelationship between the Facility A Lenders (including the Issuer, once it accedes to the Intercreditor Deed), the Facility B Lenders and the "**Cure Lenders**" (as defined in the Intercreditor Deed).

Ranking

Pursuant to the terms of the Intercreditor Deed, the liabilities owed by the Debtors to the "**Creditors**" (as defined in the Intercreditor Deed) and the Security rank in right and priority of payment and secure such liabilities in the following order:

- (a) **first**, the Facility A Debt;
- (b) **second**, the Cure Loans; and
- (c) **third**, the Facility B Debt.

Limit on Facility A Debt

The Intercreditor Deed restricts increases of the Facility A Debt if such increase would exceed the amount capable of being advanced by the Facility A Lenders under the original terms of the Finance Documents less the amount of any repayment or prepayment or cancellation of the Facility A Debt.

Restrictions on payment

Unless otherwise permitted under the terms of the Intercreditor Deed as described below, prior to the "**Facility A Debt Discharge Date**" (as defined in the Intercreditor Deed), no Facility B Lender may:

- (a) receive any distribution or payment in respect of any Facility B Debt, whether in cash or in kind from any source;
- (b) discharge any Facility B Debt (whether by way of set-off, combination of accounts, or otherwise);
- (c) receive the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of any Facility B Debt;
- (d) evidence any Facility B Debt by a negotiable instrument;
- (e) subordinate any Facility B Debt to any person otherwise than in accordance with the Intercreditor Deed; or
- (f) take or omit to take any action which might impair the priority or subordination achieved or intended to be achieved by the Intercreditor Deed.

The above restrictions do not apply to:

- (a) the existence of any guarantee or indemnity under the Finance Documents;
- (b) the existence of any Transaction Security;

- (c) anything expressly allowed or contemplated under the Intercreditor Deed; or
- (d) the subordination of one part of the Facility B Debt against another part of the Facility B Debt.

Amendments and waivers

Finance Documents

Subject to the exceptions set out below in *Exceptions*, without the prior consent of the "**Majority Facility B Lenders**" (as defined in the Intercreditor Deed), the Instructing Group is not permitted to amend, waive or give consent under any Finance Document in a manner or to an extent (including by way of an amendment to any definition used in the Senior Facilities Agreement) which would result in an amendment or waiver to, or consent in respect of, or which relates to:

- (a) the definition of Allocated Loan Amount or Release Price in clause 1.1 (Definitions) of the Senior Facilities Agreement;
- (b) the definition of Requisite Rating in clause 1.1 (Definitions) of the Senior Facilities Agreement or change of control in clause 7.5 (Change of Control) of the Senior Facilities Agreement;
- (c) clauses 7 (Prepayment and Cancellation), 12 (Hedging), 24.10 (Insurance), 24.11 (Valuation), 30 (Sharing among the Finance Parties), 31 (Changes to the Finance Parties) or 33.8 (Currency of account) of the Senior Facilities Agreement;
- (d) clause 8 (Accounts) of the Senior Facilities Agreement but only to the extent such waiver, consent or amendment would result in change to the manner in which monies are applied under the Senior Facilities Agreement;
- (e) clauses 22 (Financial Covenants) or 25 (Events of Default) of the Senior Facilities Agreement;
- (f) clause 20 (Representations) of the Senior Facilities Agreement but only to the extent such waiver, consent or amendment would result in any Obligor being subject to more onerous obligations under such clause;
- (g) an amendment or waiver of any provision of clause 40 (Amendments and Waivers) of the Senior Facilities Agreement;
- (h) the definition of Permitted Disposal, Permitted Property Disposal or Permitted Property Disposal Prepayment Proceeds in clause 1.1 (Definitions) of the Senior Facilities Agreement or clause 23.12 (Disposals) but only to the extent such waiver, consent or amendment relates to the disposal of a Property or the shares in any Obligor;
- (i) any change to the calculation of any payment of principal, interest fees or other amounts payable to any Lender under the Finance Documents;
- (j) any amendment to the definition of Margin or the terms of the Underlying Loan Margin Letter;
- (k) any increase to the amount of interest, fees or other amounts payable to the Facility A Lenders under the Finance Documents which is not contemplated by the Intercreditor Deed or the original terms of the Finance Documents;

- (l) the release of Security, other than as contemplated under the Senior Facilities Agreement, or the granting of Security which secures the Facility A Debt only; or
- (m) clause 23.19 (Property Management Agreements), clause 23.20 (Asset Management Agreements) or clause 44.2(a) (Debt Purchase by Investor Affiliates) of the Senior Facilities Agreement,

Deemed consent –Finance Documents

Consent, in respect of a request regarding an amendment, consent or waiver of the Finance Documents, will be deemed to have been given by the Majority Facility B Lenders if they fail to respond to such request for consent within 15 Business Days of such request being made.

Exceptions

- (a) The restrictions outlined under "*Amendments and waivers - Finance Documents*" above shall only apply to an amendment or waiver relating to:
 - (i) the definition of Requisite Rating in clause 1.1 (Definitions) of the Senior Facilities Agreement or change of control in clause 7.5 (Change of Control) of the Senior Facilities Agreement if no Insolvency Event of Default is continuing; or
 - (ii) clauses 22 (Financial Covenants), 25 (Events of Default) of the Senior Facilities Agreement or 20 (Representations) of the Senior Facilities Agreement (but only to the extent such waiver, consent or amendment would result in any Obligor being subject to more onerous obligations under such clause) if:
 - (A) no Insolvency Event of Default is continuing; and
 - (B) no "**Control Valuation Event**" (as described in the Intercreditor Deed) is continuing.
- (b) Subject to paragraph (c) below, the restrictions outlined under "*Amendments and waivers - Finance Documents*" above shall only apply to an amendment or waiver relating to the definition of Permitted Disposal, Permitted Property Disposal or Permitted Property Disposal Prepayment Proceeds in clause 1.1 (Definitions) of the Senior Facilities Agreement or clause 23.12 (Disposals) (but only to the extent such waiver, consent or amendment relates to the disposal of a Property or the shares in any Obligor) if:
 - (i) no Insolvency Event of Default is continuing; and
 - (ii) no Control Valuation Event is continuing.
- (c) In circumstances where a Control Valuation Event is continuing but no Insolvency Event of Default is continuing, the restrictions outlined under "*Amendments and waivers - Finance Documents*" shall not apply to an amendment or waiver relating to the definition of Permitted Disposal, Permitted Property Disposal or Permitted Property Disposal Prepayment Proceeds in clause 1.1 (Definitions) of the Senior Facilities Agreement or clause 23.12 (Disposals) (but only to the extent such waiver, consent or amendment relates to the disposal of a Property or the shares in any Obligor) provided that in relation to such disposal either:
 - (i) reasonable care has been taken to obtain a fair market price having regard to the prevailing market conditions in the market (though there shall be no obligation to postpone (or request the postponement of) any disposal of a Property of shares in an Obligor in order to achieve a higher price)); or

- (ii) (in relation to a sale of a Property only) such disposal is made at a price consistent with the most recent Valuation for the relevant Property procured by the Facility Agent in accordance with the Senior Facilities Agreement; or
 - (iii) such disposal has been conducted by way of any auction or other competitive sales process which is conducted with the advice of a "**Financial Adviser**" (as defined in the Intercreditor Deed) appointed by, or approved by, the Security Agent or the Instructing Group (and the procedures for which do not expressly exclude the Facility B Lenders from participating as prospective buyers, other than where the Financial Adviser advises the Security Agent that such participation would be reasonably likely to prejudice that auction or competitive sales process).
- (d) No amendment or waiver which requires the consent of all Lenders pursuant to clause 40.2 (Exceptions) of the Senior Facilities Agreement shall be made unless each Lender has provided its prior written consent to the Facility Agent in respect of the relevant amendment or waiver.
 - (e) No amendment or waiver which requires the consent of the Facility Agent, the Security Agent or a Mandated Lead Arranger pursuant to clause 40.2 (Exceptions) of the Senior Facilities Agreement shall be made unless the Facility Agent, the Security Agent or a Mandated Lead Arranger (as applicable) has provided its prior written consent to the Facility Agent in respect of the relevant amendment or waiver.
 - (f) If a Sanctions Event of Default occurs as a result of a Change of Control (as defined in clause 7.5 (Change of Control) of the Senior Facilities Agreement), the Instructing Group must, as soon as possible and in any event within ten Business Days of the Company notifying the Facility Agent of the change of control, instruct the Facility Agent to cancel the Commitments and declare the Underlying Loans, together with accrued interest, and all other amounts accrued under the Finance Documents immediately due and payable in accordance with clause 7.5 (Change of Control) of the Senior Facilities Agreement.

Payment restrictions

Payments prior to a Material Default

- (a) For so long as:
 - (i) no Material Default is continuing or would otherwise result from an application of payments; and
 - (ii) no Enforcement Action has been taken,
 all amounts (other than the proceeds of any "**Borrower Cure Payment**" (as defined in the Intercreditor Deed)) are to be applied on each Interest Payment Date in the following order (in turn until each is paid in full):
 - (A) *firstly*, in or towards payment pro rata of any unpaid costs, fees and expenses then due but unpaid to the Administrative Parties under the Finance Documents;
 - (B) *secondly*, in or towards payment pro rata of any unpaid costs, fees and expenses then due but unpaid to the Finance Parties (other than the Administrative Parties) under the Finance Documents;

- (C) *thirdly*, in or towards payment pro rata of all accrued interest then due but unpaid to the Facility A Lenders;
- (D) *fourthly*, in or towards payment pro rata of all accrued interest (including any Cure Loan Default Interest) then due but unpaid to any Cure Lender in respect of any Cure Loans;
- (E) *fifthly*, in or towards payment pro rata of all accrued interest then due but unpaid to the Facility B Lenders;
- (F) *sixthly*, in or towards payment pro rata of any principal then due but unpaid to the Facility A Lenders;
- (G) *seventhly*, in or towards payment pro rata of any principal then due but unpaid to the Cure Lenders in respect of any Cure Loans;
- (H) *eighthly*, in or towards payment pro rata of any principal then due but unpaid to the Facility B Lenders;
- (I) *ninthly*, in or towards payment pro rata of any other amounts then due but unpaid to the Facility A Lenders;
- (J) *tenthly*, in or towards payment pro rata of any other amounts then due but unpaid to the Facility B Lenders; and
- (K) *eleventhly*, the payment of the surplus (if any) to a Rental Income Account.

(b) For so long as:

- (i) no Material Default is continuing or would otherwise result from an application of a Borrower Cure Payment; and
- (ii) no Enforcement Action has been taken,

any Borrower Cure Payment shall be applied in the following order:

- (A) *firstly*, in or towards payment pro rata on account of the "**Relevant Cure Loans**" (as defined in the Intercreditor Deed) (and any accrued interest (including any Cure Loan Default Interest) thereon); and
- (B) *secondly*, any surplus shall be applied in the order set out in paragraph (a) above.

(c) Any amount standing to the credit of the Prepayment Account which is payable to the Lenders prior to a Material Event of Default shall fall due for payment between the Facility A Lenders and the Facility B Lenders on a pro rata basis and shall be applied in accordance with, and in the order set out above.

Payments after a Material Event of Default

(a) Subject to paragraph (b) and the exceptions set out in *Cure Rights* below, if a Material Default has occurred and is continuing or would otherwise result from an application of payments, or any Enforcement Action has been taken or the Facility Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, payments will be applied in the following order (in turn until each is paid in full):

- (i) *firstly*, in or towards payment pro rata of any unpaid costs, fees and expenses then due but unpaid to the Administrative Parties under the Finance Documents;
 - (ii) *secondly*, in or towards payment pro rata of:
 - (A) any unpaid costs, fees and expenses then due but unpaid to the Facility A Lenders under the Finance Documents; and
 - (B) any unpaid costs, fees and expenses which have been incurred by the Facility B Lenders in connection with the enforcement of the Transaction Security;
 - (iii) *thirdly*, in or towards payment pro rata of all accrued interest then due but unpaid to the Facility A Lenders;
 - (iv) *fourthly*, in or towards payment pro rata to the Facility A Lenders of any principal then due but unpaid to the Lenders under the Finance Documents including, without limitation, 100 per cent. of any amount which is required to be applied in prepayment of the Underlying Loans in accordance with clause 7 (Prepayment and Cancellation) of the Senior Facilities Agreement;
 - (v) *fifthly*, in or towards payment pro rata of any other amount owing to the Facility A Lenders;
 - (vi) *sixthly*, in or towards payment pro rata of any costs, fees and expenses (other than those referred to under paragraph (ii)(B) above) then due but unpaid to the Facility B Lenders under the Finance Documents;
 - (vii) *seventhly*, in or towards payment pro rata of all accrued interest (including any Cure Loan Default Interest) then due but unpaid to any Cure Lender in respect of any Cure Loans;
 - (viii) *eighthly*, in or towards payment pro rata of any Cure Loan made by any Cure Lender pursuant to the Intercreditor Deed;
 - (ix) *ninthly*, in or towards payment pro rata of all accrued interest then due but unpaid to the Facility B Lenders;
 - (x) *tenthly*, in or towards payment pro rata of any principal then due to but unpaid to the Facility B Lenders under the Finance Documents;
 - (xi) *eleventhly*, in or towards payment pro rata of any other amount owing to the Facility B Lenders; and
 - (xii) *twelfthly*, the payment of the surplus (if any) to a Rental Income Account.
- (b) The Facility Agent must provide the Lenders with not less than two Business Days prior written notice before making any distribution or payment in accordance with paragraph (a) above.

Enforcement action

Security

Restriction on enforcement

Except as outlined below under "*Permitted enforcement: Facility B Lenders*" below and except where the Instructing Group is constituted by the Facility B Lenders, the Facility B Lender are prevented from taking any Enforcement Action with respect to the Debt prior to the Facility A Debt Discharge Date.

Permitted enforcement: Facility B Lenders

- (a) Prior to the Facility A Debt Discharge Date the Majority Facility B Lenders are permitted to take Enforcement Action otherwise prohibited by the Intercreditor Deed if:
 - (i) the relevant Material Event of Default is still continuing and its "**Standstill Period**" (as defined in the Intercreditor Deed) has expired;
 - (ii) prior to the expiry of the Standstill Period for the relevant Material Event of Default:
 - (A) the Instructing Group have not given instructions to enforce or refrain from enforcing the Transaction Security; and
 - (B) the Instructing Group has not required any Debtor to make a "**Distressed Disposal**" (as defined in the Intercreditor Deed); and
 - (iii) the Majority Facility B Lenders have given notice in writing to the Facility Agent, on or before the date which is 10 Business Days prior to the expiry of the applicable Standstill Period that they intend to exercise their rights to enforce.
- (b) During the Facility B Lender Control Period (being the period beginning on the day after expiry of the Standstill Period and ending on the day 30 Business Days later) , the Instructing Group may not give instructions to the Facility Agent to direct the Security Agent to enforce or refrain from enforcing the Transaction Security.

Manner of enforcement

The Facility Agent and the Security Agent shall enforce the Transaction Security as the Instructing Group (or in respect of any enforcement described in "*Permitted enforcement: Facility B Lenders*" above shall instruct.

*Restriction on "**Majority Facility A Lenders**" (as defined in the Intercreditor Deed): Enforcement Action*

If the Instructing Group are the Majority Facility A Lenders, the Instructing Group shall refrain from giving instructions to the Security Agent to take any Enforcement Action during any Purchase Notice Period, "**Remedy Notice Grace Period**" (as defined in the Intercreditor Deed) or "**Grace Period**" (as defined in the Intercreditor Deed) provided that this shall not restrict the Instructing Group from giving instructions to the Security Agent to take Protective Enforcement Action.

Co-operating between Creditors

Each Facility A Lender, each Facility B Lender, the Facility Agent and the Security Agent (as applicable) must consult with one another for such period as may be reasonable (and in any event not longer than 5 Business Days) before (i) taking any formal steps to exercise any remedy against any

Obligor, (ii) taking any Enforcement Action or (iii) making any appropriation. This consultation period shall not apply if the relevant Lenders are of the opinion that the delay caused by such consultation would prejudice the Lenders.

Disposals and recoveries

Distressed Disposals

With respect to a Distressed Disposal or an "**Appropriation**" (as defined in the Intercreditor Deed), the Security Agent is irrevocably authorised pursuant to the terms of the Intercreditor Deed to make any releases of the Transaction Security and to issue such letters of non-crystallisation as thought necessary or desirable by the Security Agent and if the asset which is subject to the Distressed Disposal consists of shares in the capital of a Obligor, the Security Agent may release that Obligor from (i) all of its liabilities, (ii) any Transaction Security granted by that Obligor, and (iii) any other claim of any other Obligor over that Debtor's assets.

Fair value

- (a) In the case of a Distressed Disposal or a "**Debt Disposal**" (as defined in the Intercreditor Deed), the Security Agent shall (i) keep all lenders informed regarding any Distressed Disposal or Debt Disposal and (ii) take reasonable care to obtain a fair market price having regard to the prevailing market conditions.
- (b) This requirement under (ii) above is deemed satisfied if (i) the Distressed Disposal or Debt Disposal is made pursuant to any process or proceedings approved or supervised by or on behalf of any court of law, (ii) the Distressed Disposal or Debt Disposal is made by, at the direction of or under the control of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer (or any analogous officer in any jurisdiction) appointed in respect of a Debtor or the assets of a Debtor, (iii) the Distressed Disposal or Debt Disposal is made pursuant to a "**Competitive Sales Process**" (as defined in the Intercreditor Deed), or (iv) that Distressed Disposal is made at a price consistent with the most recent Valuation for the relevant Property procured by the Facility Agent in accordance with the Senior Facilities Agreement, provided that, if that Valuation is dated before the date which is six Months prior to the date of the Distressed Disposal, the Facility Agent (acting on the instructions of the Instructing Group) shall procure a new Valuation in respect of the Property the subject of the Distressed Disposal which is addressed to, and is capable of being relied on by, all Lenders (provided that there shall be no obligation to obtain a new Valuation if the delay could be detrimental to value).
- (c) The net proceeds of such Distressed Disposal or Debt Disposal shall be applied in accordance with the priority of payments as described in "Payments after a material Event of Default" described above.

Claims against Report Providers

- (a) Prior to the Facility A Debt Discharge Date, no Facility B Lender may make any demand or claim or bring any proceedings against a "**Report Provider**" (as defined in the Intercreditor Deed) in connection with its report or receive payment from any Report Provider in connection with any demand, claim or proceedings unless the Majority Facility A Lenders fail to instruct the Facility Agent to pursue any claim against a Report Provider within 60 days after a claim arises, then the Majority Facility B Lenders may instruct the Facility Agent to do so.
- (b) The Facility Agent must notify each Facility B Lender of any claim it is pursuing against a Report Provider and will file claims in respect of all the Debt.

- (c) If a Material Default is continuing or any Enforcement Action has been taken in accordance with the provisions of the Intercreditor Deed and the Finance Documents, each Facility A Lender will be entitled to full payment of any claim against a Report Provider in respect of its report in priority to the claims of any Facility B Lender and the proceeds of claims against Report Providers shall be applied in the same order as described in "*Payments after a material Event of Default*" described above.
- (d) At any other time before the Facility A Debt Discharge Date, the proceeds of any claim against a Report Provider in respect of the report will be applied pro rata between the Facility A Lenders and the Facility B Lenders and, after the Facility A Debt Discharge Date, applied towards the Facility B Debt.

Cure rights

Cure Payments

- (a) If the Facility Agent has actual notice of the occurrence of a Remediable Default and the applicable grace period or cure period under the Senior Facilities Agreement with respect to that Remediable Default has expired, the Facility Agent shall serve a "**Default Notice**" (as defined in the Intercreditor Deed).
- (b) After the occurrence of a Remediable Default any Facility B Lender (in this capacity, a Cure Lender) has the right to cure that Remediable Default. If one or more of the Cure Lenders intend to remedy a Remediable Default, the relevant Cure Lenders must serve a "**Remedy Notice**" on the Facility Agent within the Remedy Notice Grace Period with respect to that Remediable Default.

Grace period

When, as a consequence of the occurrence of a Remediable Default, one or more Creditors has the right to take, or to require the Facility Agent and/or the Security Agent to take, Enforcement Action, those Creditors must delay taking such action or requiring the Facility Agent and/or the Security Agent to take such action during (i) the relevant Remedy Notice Grace Period relating to that Remediable Default; and (ii) if a Remedy Notice is issued within the Remedy Notice Grace Period in respect of that Remediable Default, the applicable Grace Period in respect of that Remediable Default.

Cure Lender remedy

If a Remedy Notice is given, the relevant Cure Lenders must procure that within the Grace Period:

- (i) in respect of a "**Payment Default**" (as defined in the Intercreditor Deed), paying an amount equal to any principal and any interest (including, without limitation any Default Interest) (the "**Required Cure Payment Amount**") due from the Underlying Borrowers (but unpaid) and accrued until the date of such payment by the Cure Lenders to the relevant Facility A Lenders. To reflect such payment by the Cure Lenders to the Facility A Lenders, the Cure Lenders shall accept a transfer or novation of the Facility A Lenders' rights and obligations under the Finance Documents which correspond to an aggregate amount of Commitments and participations in the Facility A Loans equal to the portion of the Required Cure Payment Amount which is paid to the Facility A Lenders in consideration for the payment; and
- (ii) in respect of a Financial Covenant Default, paying to the Facility Agent (for the account of the Facility A Lenders) the Facility A Lender Financial Covenant Cure Amount. To reflect such payment by the Cure Lenders to the Facility A Lenders, the Cure Lenders shall accept a transfer or novation of the Facility A Lenders' rights and obligations under the Finance Documents which correspond to an aggregate amount of Commitments and participations in

the Facility A Loans equal to the portion of the Facility A Lender Financial Covenant Cure Amount which is paid to the Facility A Lenders in consideration for the payment.

Number of Cure Payments

The Cure Lenders taken together shall in aggregate have the right to exercise their rights to remedy Remediable Defaults in respect of Defaults occurring on no more than two consecutive Interest Payment Dates and on not more than four occasions prior to the Facility A Debt Discharge Date.

Purchase Option

- (a) If a Purchase Event has occurred and continuing, any of the Facility B Lenders may elect to purchase the Facility A Debt by serving a Purchase Notice in writing on the Facility Agent within 10 Business Days of receiving notice from the Facility Agent that a Purchase Event has occurred. The Purchase Notice must nominate a purchase completion date falling not less than five nor more than 15 Business Days after the date of the Purchase Notice on which the Facility B Lenders shall pay the Facility A Debt Purchase Amount and acquire all Secured Liabilities.
- (b) When, as a consequence of the occurrence of a Purchase Event, one or more Creditors has the right, pursuant to the terms of the Intercreditor Deed and subject to the provisions of the Finance Documents, to take, or to require the Facility Agent and/or the Security Agent to take, Enforcement Action, those Creditors will delay taking such action or requiring the Facility Agent and/or the Security Agent to take such action until after:
 - (i) if no Purchase Notice has been delivered, the date which is 11 Business Days after the date of the relevant Purchase Event Notification; and
 - (ii) if a Purchase Notice has been delivered, the date specified in the Purchase Notice as the date on which the purchase will take place.

Valuations

If, prior to the Facility A Debt Discharge Date, the Facility Agent has not received instructions from the Instructing Group to instruct a valuer before the end of the 11th month within a 12-month period during which the Facility Agent may instruct a valuer pursuant to the terms of the Senior Facilities Agreement, the Majority Facility B Lenders may, by notice to the Facility A Lenders and the Facility Agent, provide instructions to the Facility Agent to prepare and issue a Valuation.

Definitions

"Appropriation" means the appropriation (or similar process) of the shares in the capital of an Obligor by the Security Agent (or any Receiver or Delegate) which is effected (to the extent permitted under the relevant Transaction Security Document and applicable law) by enforcement of the Transaction Security.

"Borrower Cure Payment" means a repayment or prepayment of the Underlying Loans by the Underlying Borrowers which has the effect of remedying or curing a Financial Covenant Default and/or a Payment Default in accordance with the terms of the Senior Facilities Agreement.

"Competitive Sales Process" means:

- (a) any auction or other competitive sales process which is conducted with the advice of a Financial Adviser appointed by, or approved by, the Security Agent (and the procedures for which do not expressly exclude the Facility B Lenders from participating as prospective buyers, other than where the Financial Adviser advises the Security Agent that such

participation would be reasonably likely to prejudice that auction or competitive sales process); or

- (b) any enforcement of the Transaction Security carried out by way of auction or other competitive sales process pursuant to requirements of applicable law.

"Control Valuation Event" means, at any time, the market value of the Properties at that time (calculated by reference to the most recent Valuation) being less than 110 per cent. of the sum of the then outstanding Facility A Debt (excluding, for this purpose, any Cure Loans made by a Facility A Lender).

"Creditor" means:

- (a) a Facility A Lender;
- (b) a Facility B Lender;
- (c) a Cure Lender;
- (d) a Mandated Lead Arranger; or
- (e) an Agent,

as the context may require. **"Creditors"** shall be construed accordingly.

"Cure Lender" means, at any time, each Facility B Lender that becomes a cure lender pursuant to clause 8 of the Intercreditor Deed.

"Cure Loan" means any Facility A Loan which is transferred or novated to a Facility B Lender in accordance with clause 8.4 (Cure Lender Remedy) of the Intercreditor Deed.

"Debt" means:

- (a) the Facility A Debt; and/or
- (b) the Facility B Debt; and/or
- (c) (without double counting) the Cure Loans,

as the context may require.

"Debt Disposal" means any disposal of any Liabilities or Obligors' Intercompany Receivables pursuant to clause 12.5 (Facilitation of Distressed Disposals and Appropriation) of the Intercreditor Deed.

"Default Notice" means a notice given by the Facility Agent to each Lender informing the Lenders of the occurrence of a Remediable Default together with reasonable details thereof and in respect of a Financial Covenant Default confirming that the applicable period to cure the relevant Financial Covenant Default under clause 22.5 (Equity Cure) of the Senior Facilities Agreement has expired.

"Distress Event" means any of:

- (a) an Acceleration Event; or
- (b) the enforcement of any Transaction Security;

"Distressed Disposal" means a disposal of an asset of an Obligor or the shares which are the subject of the Transaction Security which is:

- (a) being effected at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable;
- (b) being effected by enforcement of the Transaction Security (including the disposal of any assets of an Obligor, the shares in which have been subject to an Appropriation); or
- (c) being effected, after the occurrence of a Distress Event, by an Obligor to any person which is not an Obligor.

"Enforcement Action" means:

- (a) in relation to any Debt:
 - (i) the acceleration of any Debt or the making of any declaration that any Debt is prematurely due and payable (other than as a result of it becoming unlawful for a Lender to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Finance Documents);
 - (ii) the making of any declaration that any Debt is payable on demand;
 - (iii) the making of a demand in relation to any Debt that is payable on demand;
 - (iv) the making of any demand against any Debtor in relation to any Guarantee Liabilities of that Debtor;
 - (v) the exercise of any right of set-off, account combination or payment netting against any Debtor in respect of any Debt; or
 - (vi) the suing for, commencing or joining of any legal or arbitration proceedings against any Debtor to recover any Debt;
- (b) the taking of any steps to enforce or require the enforcement of any Transaction Security (including the crystallisation of any floating charge forming part of the Transaction Security);
- (c) the entering into of any composition, compromise, assignment or arrangement with any Debtor which owes any Debt, or has given any Security, guarantee, indemnity or other assurance against loss in respect of the Debt; or
- (d) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator, examiner or similar officer) in relation to, the winding up, dissolution, administration or reorganisation of any Debtor which owes any Debt, or has given any Security, guarantee, indemnity or other assurance against loss in respect of any of the Debt, or any of such Debtor's assets or any suspension of payments or moratorium of any indebtedness of any such Debtor, or any analogous procedure or step in any jurisdiction,

except that the taking of any action falling within paragraphs (a)(vi) or (d) (above) which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of any Debt, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods shall not constitute Enforcement Action.

"Facility A Debt" means all Liabilities payable or owing by the Obligors to the Facility A Lenders in their capacity as Lender in respect of the Capex Facility A and/or the Term Facility A (as defined in the Senior Facilities Agreement) under or in connection with the Finance Documents, subject to the terms of Intercreditor Deed.

"Facility A Debt Discharge Date" means the date on which all the Facility A Debt has been unconditionally and irrevocably paid and discharged in full and all commitments with respect to the Facility A Debt have been cancelled, as determined by the Facility Agent (acting on the instructions of the Majority Facility A Lenders acting reasonably).

"Facility A Lender" means:

- (a) the Original Facility A Lender; or
- (b) any person which becomes a Party as a Facility A Lender.

"Facility A Lender Financial Covenant Cure Amount" means, in respect of a Financial Covenant Default, the amount which would be required to be applied in prepayment of the Facility A Loans by the Underlying Borrowers in accordance with clause 22.5 (Equity Cure) of the Senior Facilities Agreement to cure the relevant Financial Covenant Default (assuming for these purposes that the Underlying Borrowers are required to prepay the Facility A Loans and the Facility B Loans on a pro rata basis).

"Facility B Debt" means all Liabilities payable or owing by the Obligors to the Facility B Lenders in their capacity as Lender in respect of the Capex Facility B and/or the Term Facility B (as defined in the Senior Facilities Agreement) under or in connection with the Finance Documents, subject to the terms of the Intercreditor Deed.

"Facility B Lender" means:

- (a) the Original Facility B Lender; or
- (b) any person which becomes a Party as a Facility B Lender.

"Facility B Lender Control Period" means, in respect of an Event of Default and the related Standstill Period, the period beginning on the day after expiry of the Standstill Period and ending on the day 30 Business Days later.

"Financial Adviser" means any:

- (a) independent and internationally recognised commercial property manager; or
- (b) other independent and internationally recognised professional services firm,

in each case, which is regularly engaged in providing valuations of commercial property, businesses or financial assets or, where applicable, advising on competitive sales processes of commercial property and is appointed on arm's length terms.

"Financial Covenant Default" means the occurrence of any Event of Default under clause 25.2 (Financial covenants) of the Senior Facilities Agreement which is continuing.

"Grace Period" means the period commencing on the date of the issuance of a Remedy Notice in relation to a Remediable Default and ending 15 Business Days thereafter.

"Instructing Group" means:

- (a) before the Facility A Debt Discharge Date, the Majority Facility A Lenders; or
- (b) after the Facility A Debt Discharge Date, the Majority Facility B Lenders.

"Insolvency Default " means the occurrence of any Event of Default under clause 25.7 (Insolvency) or clause 25.8 (Insolvency proceedings) of the Senior Facilities Agreement which is continuing.

"Interest Payment Date" means each date on which interest is payable under the Senior Facilities Agreement.

"Majority Facility A Lenders" means a Facility A Lender or Facility A Lenders whose Facility A Commitments aggregate more than 66⅔% of all the Facility A Commitments or, if the Facility A Commitments have been reduced to zero, aggregated more than 66⅔% of all the Facility A Commitments immediately prior to the reduction provided that any Facility A Commitments which are transferred or novated to a Facility B Lender pursuant to Clause 8 (Cure Rights) of the Intercreditor Deed shall instead (for the purposes of this definition and the definition of Majority Facility B Lenders only) constitute Facility B Commitments.

"Majority Facility B Lenders" means a Facility B Lender or Facility B Lenders whose Facility B Commitments aggregate more than 66⅔% of all the Facility B Commitments or, if the Facility B Commitments have been reduced to zero, aggregated more than 66⅔% of all the Facility B Commitments immediately prior to the reduction provided that any Facility A Commitments which are transferred or novated to a Facility B Lender pursuant to Clause 8 (Cure Rights) of the Intercreditor Deed shall instead (for the purposes of this definition and the definition of Majority Facility A Lenders only) constitute Facility B Commitments.

"Material Default" means:

- (a) a Payment Default;
- (b) an Insolvency Default;
- (c) a Financial Covenant Default; or
- (d) the occurrence of an Event of Default pursuant to clause 25.3 (Breach of certain other obligations) or clause 25.6 (Cross Default) of the Senior Facilities Agreement which has not been remedied or waived within 9 months,

in each case which has not been cured in accordance with clause 8 (Cure Rights) of the Intercreditor Deed.

"Obligors' Intercompany Receivables " means, in relation to an Obligor, any liabilities and obligations owed to any other Obligor or Subordinated Creditor (whether actual or contingent and whether incurred solely or jointly) by that Obligor;

"Payment Default" means the occurrence of any Event of Default under clause 25.1 (Non payment) of the Senior Facilities Agreement which is continuing.

"Purchase Event Notification" means the notice to be sent to the Facility B Lenders by the Facility Agent upon receipt of actual notice of a Purchase Event.

"Relevant Cure Loan" means, in respect of a Borrower Cure Payment, any Cure Loans which have been transferred or novated to a Facility B Lender as consideration for the Cure Payment(s) which, in accordance with clause 8.4 (Cure Lender Remedy) of the Intercreditor Deed, cured the relevant Remediable Default relating to that that Borrower Cure Payment.

"Remediable Default" has the meaning given to it in clause 8.1 (Definitions) of the Intercreditor Deed.

"Remedy Notice" means a notice from a Cure Lender to the Facility Agent stating that one or more of the Cure Lenders wish to remedy a Remediable Default.

"Remedy Notice Grace Period" means:

- (a) in respect of a Payment Default, the period commencing on the date of that Payment Default and ending on the date falling 10 Business Days thereafter; and
- (b) in respect of a Financial Covenant Default, the period commencing on the relevant Interest Payment Date for that Financial Covenant Default and ending on the date falling 30 Business Days thereafter.

"Report Provider" means any professional adviser who prepared a report delivered as a condition precedent under the Senior Facilities Agreement.

"Standstill Period" means, in respect of an Event of Default, the period beginning on the date on which the Facility Agent gives notice to the Lenders that the relevant Event of Default has occurred and ending on the date which is:

- (a) in the case of a Payment Default, a period of 90 days;
- (b) in the case of a Financial Covenant Default, 120 days; and
- (c) in the case of an Insolvency Event of Default, 150 days.

DESCRIPTION OF THE PORTFOLIO

All of the information in this "Description of the Portfolio" section is current as of 9 May 2016.

*The below description of the portfolio (the "**Portfolio**") is largely based on information obtained from the Group, The Blackstone Group L.P and the Initial Appraisal.*

As at 9 May 2016:

- (a) the Portfolio comprised of the Devonshire Square Estate, London EC2M 4YE;
- (b) the aggregate value of the Portfolio was £480,000,000, which represents an average capital value of £715/sq ft. The Portfolio produces a Contracted Annual Gross Rental Income of £19,530,849, which represents an actual Gross Rental Income of £19,228,401
- (c) the average occupancy of the Portfolio is 73 per cent. (weighted by square foot). The weighted average unexpired lease term to first break of the Portfolio was 7.99 years (weighted by contracted rent. The tenant base was granular comprising more than 41 tenants across the portfolio.

The portfolio is mostly comprised of offices, with a small component of residential and retail. Geographically, the portfolio comprises a single estate located in London, United Kingdom.

As at the Utilisation Date and in accordance with the provisions of the Senior Facilities Agreement, insurance policies covering the Portfolio were in force and had been provided by Royal & Sun Alliance Insurance plc (Property Damage and Business Interruption), Zurich Insurance plc (Public Liability) and AIG Europe Limited (Excess Public Liability).

SALE OF ASSETS

Loan Sale Agreement

On or prior to the Closing Date, the Originator will transfer by novation the Underlying Loan to the Seller and the Seller will acquire from the Originator the rights, title, interests and benefits of the Originator in the Underlying Loan and its interest in the Related Security with respect to the Underlying Loan. Prior to the transfer from the Originator to the Seller, the Originator was the sole lender with respect to the Underlying Loan. On the Closing Date, the Issuer, the Issuer Security Trustee, the Facility Agent, the Cash Manager, the Agent Bank and the Seller will enter into a loan sale agreement (the "**Loan Sale Agreement**") and, in the case of the Issuer and the Seller, a transfer certificate relating to the Underlying Loan, pursuant to the terms of which, among other things, the Seller will transfer, and the Issuer will acquire from the Seller the right, title, interests and benefits of the Seller in the Underlying Loan and its interest in the Related Security with respect to the Underlying Loan.

Pursuant to the terms of the Loan Sale Agreement the transfer of the Underlying Loan and the Related Security will be effected by means of the transfer certificate envisaged by the Senior Facilities Agreement and in consideration for the sale of the Underlying Loan, the Issuer will pay on the Closing Date, £116,362,272.50 to the Seller (the "**Initial Purchase Price**").

In addition to the Initial Purchase Price, the Issuer will pay to the Seller additional amounts (the "**Stripped and Accrued Interest Payments**"), which comprises, with respect to:

- (a) the first Distribution Date falling in May 2017 only, accrued but unpaid interest or fees on the Underlying Loan up to (and excluding) one Business Day prior to the Closing Date ("**Accrued Interest Payments**"); and
- (b) each Distribution Date, any surplus Available Funds following the prior application of such Available Funds sequentially:
 - (i) prior to the service of a Note Acceleration Notice, in accordance with:
 - (A) paragraphs (a) to (g) of the Pre-Enforcement Revenue Priority of Payments; and
 - (B) paragraph (a) of the Pre-Enforcement Principal Priority of Payments; and
 - (ii) following the service of a Note Acceleration Notice, in accordance with paragraphs (a) to (f) of the Post-Enforcement Priority of Payments,

(such payments, the "**Stripped Interest Payments**").

Following the transfer of the Underlying Loan to the Issuer, (i) as and from the Closing Date, the Issuer will be the lender under the Senior Facilities Agreement in respect of the Underlying Loan, and (ii) the original loan and security documents will be held by the Security Agent on behalf of the Issuer.

Pursuant to the Loan Sale Agreement the Issuer is restricted from agreeing to any amendment or modification or entering into any agreement or arrangement with any party which would have the effect of (i) reducing or cancelling the amount of Stripped and Accrued Interest Payments due and payable to the Seller; (ii) modifying the method of calculating the Stripped and Accrued Interest Payments; (iii) postponing any date on which the payment of the Stripped and Accrued Interest Payments are to be made or (iv) adversely affecting the right of the Seller to receive payment of the Stripped and Accrued Interest Payments under the Loan Sale Agreement, in each case, without the Seller's prior written consent (in the Seller's absolute discretion).

Seller's Representations and Warranties

None of the Issuer or the Issuer Related Parties has made or will make any of the enquiries, searches or investigations which a prudent purchaser of similar assets would normally make, nor has any such entity made any enquiry at any time in relation to compliance by the Originator with its lending criteria or the legality, validity, perfection, adequacy or enforceability of the Issuer Assets or the transfer thereof pursuant to the Loan Sale Agreement.

In relation to all of the foregoing matters, the Issuer will, in relation to the Underlying Loan and the Related Security rely on the representations and warranties given by the Seller in the Loan Sale Agreement. None of the Issuer Related Parties will be obliged to verify compliance by the Seller with such representations and warranties.

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

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

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

In the event that the Issuer makes a demand for indemnity in respect of a Material Breach of Loan Warranty, the Seller will be entitled (but will not be obliged), as an alternative to the Seller being required to indemnify the Issuer, to repurchase the Loan and the Related Security pertaining to it on a date not later than the second Distribution Date following the demand. The consideration payable in these circumstances will be an amount equal to the principal balance of the Loan then outstanding, any accrued but unpaid interest thereon plus all other amounts outstanding to the Issuer as a Finance Party under the Senior Facilities Agreement.

The representations and warranties (the "**Loan Warranties**") to be given by the Seller in the Loan Sale Agreement, which are qualified as set out in this section below, will include statements to the following effect:

- (a) *No Governmental Authority approval*: other than as specified in the Finance Documents, no notice to, registration with, consent or approval of or any other action by any relevant Governmental Authority is or will be required for the Seller to execute, deliver and perform its obligations under the Loan Sale Agreement.
- (b) *Unencumbered title*: it is the sole legal and beneficial owner of the Underlying Loan and is the sole beneficial owner of the interest in the Related Security, insofar as it pertains to the Underlying Loan, in each case free and clear of all encumbrances, claims and equities.
- (c) *No other documents*: other than the Finance Documents, there are no other documents executed by it which would materially and adversely affect the Underlying Loan or the Related Security and (other than the documentation contemplated by the Finance Documents) it has not executed any other documentation relating to the Finance Documents except for those documents that are required to be executed in the Seller's capacity as Lender.
- (d) *No default*: it is not in material default of any of its obligations in relation to the Underlying Loan and Related Security.

- (e) *Alienability*: subject to the obtaining of any necessary consents, licenses, and authorisations, all rights and benefits (including proprietary rights under any relevant security documentation) and, where applicable, all obligations under the Finance Documents which the parties have agreed will be novated, assigned or otherwise effectively transferred or participated to the Issuer pursuant to the transaction are capable of being so novated, assigned or otherwise transferred or participated.
- (f) *No acceleration or payment default*: so far as it is aware, no decision has been taken to accelerate or enforce its rights under the Finance Documents and no amount of principal or interest is due and unpaid under the Finance Documents.
- (g) *No set-off*: pursuant to the terms of the Finance Documents, no Obligor is entitled to exercise any right of set-off (except to the extent required by law) against the Seller under the Finance Documents.

Pursuant to the Loan Sale Agreement the Loan Warranties are qualified by reference to all general principles of law limiting the same as set out in the legal opinions referred to in the Finance Documents.

Where:

"Governmental Authority" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

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

"Related Security" means all rights, title and interest of the Seller (or all rights, title and interest of the Issuer following the execution of the Loan Sale Agreement), present and future, in, to and under the security interests created by the Obligors pursuant to the Transaction Security Documents and any other security agreements securing the Term Facility A Loan that is transferred pursuant to the Loan Sale Agreement.

"Issuer Assets" means the Underlying Loan and the Issuer's interest in the Related Security and all monies derived therefrom from time to time, all of which will be sold and transferred to the Issuer on the Closing Date pursuant to the Loan Sale Agreement; and

"Security Interest" means any mortgage or sub-mortgage, standard security, fixed or floating charge or sub-charge, pledge, lien, assignment or assignation by way of security or subject to a proviso for redemption, encumbrance, hypothecation, retention of title, or other security interest whatsoever howsoever created or arising and its equivalent or analogue whatever called in any other jurisdiction, and any agreement or arrangement having substantially the same economic or financial effect as any of the foregoing.

AVAILABLE FUNDS AND THEIR PRIORITY OF APPLICATION: THE NOTES

Source of Funds

The repayment of principal and the payment of interest by the Underlying Borrowers in respect of the Underlying Loan will provide the only source of funds for the Issuer to make payments of interest on and repayments of principal in respect of the Notes.

Determination Date

On the date which is two Business Days prior to each Distribution Date (each, a "**Determination Date**") the Cash Manager will be required to calculate and/or determine, based on information provided to it by the Issuer or the Facility Agent, the following:

- (a) the amount and allocation of Revenue Receipts and Principal Receipts received or expected to be received and that are payable into the Issuer Transaction Account on or prior to the Distribution Date immediately following a Determination Date;
- (b) the Available Funds available to the Issuer for distribution on the following Distribution Date; and
- (c) all amounts due according to the applicable Issuer Priority of Payments.

Funds Paid into the Issuer Transaction Account

On each Underlying Loan Interest Payment Date, the Cash Manager (on behalf of the Issuer) will request that the Facility Agent transfers from the relevant Rental Income Account, the Prepayment Account, the Cash Trap Account and the Equity Cure Account or any other relevant Obligor bank account to the Issuer Transaction Account an amount equal to the aggregate amounts in respect of interest, principal, fees and other amounts, if any, then payable under the Senior Facilities Agreement to which the Issuer, as a lender, is entitled to receive.

The Issuer's interest and income receipts (the "**Revenue Receipts**") will comprise, on any day, the sum of all amounts of whatever nature received or recovered by or on behalf of the Issuer under or in connection with the Loan (other than Principal Receipts), and including, without limitation all amounts received or recovered by or on behalf of the Issuer in respect of:

- (a) Interest payments received under the Underlying Loan;
- (b) any Default Interest;
- (c) Exit Fees received under the Underlying Loan;
- (d) Break Costs received under the Underlying Loan;
- (e) any costs, expenses, commissions and other sums, in each case made by the Underlying Borrowers in respect of the Underlying Loan or the Related Security (other than any repayments in respect of Principal Receipts); and
- (f) interest on amounts standing to the credit of the Issuer Transaction Account and any cash deposits held in a bank account of the Issuer) received during the Interest Period immediately preceding a Determination Date.

Where:

"Break Costs" means the breakage costs payable to the Issuer corresponding to the Issuer's interest in the Underlying Loan repaid or prepaid on an Intra-Loan Interest Payment Date provided that that the Noteholder Representative has provided a break cost determination to the Facility Agent in accordance with clause 11.4 (*Break Costs*) of the Senior Facilities Agreement;

"Default Interest" means, with respect to any unpaid sums which an Obligor fails to pay under a Finance Document, the interest accrued and payable by the Obligor to the Facility Agent on any such overdue amount as calculated in accordance with the default interest provisions of the Senior Facilities Agreement; and

"Exit Fee" means the portion of the Prepayment Fees corresponding to the Issuer's interest in the Underlying Loan to be paid to the Issuer.

"Prepayment Fees" means a prepayment fee in the amount and at the times set out in the Prepayment Fee Letter.

"Prepayment Fee Letter" means the letter dated on or about the date of the Senior Facilities Agreement between the Agent and the Company setting out the prepayment fee referred to in the Senior Facilities Agreement.

The Issuer's principal receipts (the **"Principal Receipts"**) will comprise on any day all payments and repayments of principal received or recovered by or on behalf of the Issuer in connection with the Loan and standing to the credit of the Issuer Transaction Account, including, without limitation all amounts received or recovered by or on behalf of the Issuer in respect of:

- (a) amounts recovered in respect of the Underlying Loan which are applied towards the reduction of outstanding principal as a result of any action taken to enforce the Underlying Loan and/or the Related Security;
- (b) any mandatory prepayment amounts of a principal nature as a result of: illegality, mandatory prepayment from insurance proceeds or recovery claims, disposals, expropriation proceeds, change of control, a cash trap event or a cure payment or, replacement or repayment and cancellation in relation to a single lender or the occurrence of any other mandatory prepayment event following which amounts are allocated towards the prepayment of principal on the Underlying Loan, subject to, in each case, the conditions set out in the Senior Facilities Agreement;
- (c) voluntary repayments or prepayments in respect of the principal outstanding under the Underlying Loan made on notice in accordance with the Senior Facilities Agreement;
- (d) payments received by or on behalf of the Issuer as a result of an indemnity payment from or the repurchase of the Underlying Loan by the Seller pursuant to the Loan Sale Agreement which, in each case, do not constitute Revenue Receipts; and
- (e) any repayments or prepayments made by or on behalf of the Underlying Borrowers in connection with a restructuring of the Senior Facilities Agreement or as a condition to any waiver of an Event of Default under the Senior Facilities Agreement.

Where:

"Available Funds" means as at a Distribution Date, an amount equal to the aggregate of the Revenue Receipts and the Principal Receipts received or expected to be received and that are payable into the Issuer Transaction Account on or prior to such Distribution Date.

Default Interest

Upon receipt of any Default Interest by or on behalf of the Issuer during an Interest Period, the Notes Relevant Proportion of the amount of Default Interest shall on the immediately following Distribution Date be payable by the Cash Manager to the Noteholders pursuant to Condition 5(d) (*Default Interest*)) in accordance with the applicable Issuer Priority of Payments. For further details of the rate and method of calculating Default Interest in respect of the Whole Loan see the section entitled "*THE UNDERLYING LOAN AND RELATED SECURITY*" of this Offering Circular.

Principal Distributions

On each Distribution Date, the Notes will be subject to a mandatory redemption in part in an amount up to the Notes Relevant Proportion of the sum of the Principal Receipts available to pay principle subject to the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

Issuer Priority Payments

Prior to the service of a Note Acceleration Notice, the Cash Manager will apply all Revenue Receipts received by the Issuer on or prior to each Distribution Date, as determined on the immediately preceding Determination Date in the following manner and order of priority, including, other than where expressly set out below, any value added tax (including any reverse-charge value added tax) properly payable thereon (the "**Pre-Enforcement Revenue Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (a) *first*, on a *pro rata* and *pari passu* basis, amounts due and payable in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of the fees or other remuneration of (and amounts payable in respect of indemnity protection) and any costs, charges, liabilities and expenses incurred by the Note Trustee and the Issuer Security Trustee (and, in each case, including any attorney, agent, manager, delegate, nominee or other person appointed by the Note Trustee under the Note Trust Deed or any receiver, agent, delegate, nominee, custodian or other person appointed by the Issuer Security Trustee under the Deed of Charge and Assignment) (the "**Appointees**");
- (b) *second*, in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of the amounts, including, but not limited to, tax adviser fees, costs of tax compliance, legal fees, audit fees, anticipated winding-up costs of the Issuer, fees due to the stock exchange where the Notes are then listed and company secretarial expenses, which are payable by the Issuer to third parties and incurred without breach by the Issuer of the Note Trust Deed or the Deed of Charge and Assignment and not provided for payment elsewhere, and to provide for any such amounts expected to become due and payable by the Issuer after that Distribution Date, and (to the extent that the same cannot be paid or provided for by funds standing to the credit of the Issuer Transaction Account) to provide for the Issuer's liability or possible liability for corporation tax;
- (c) *third*, in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of (i) all amounts due to the Issuer Corporate Services Provider under the Issuer Corporate Services Agreement, (ii) fees, costs and expenses of the directors of the Issuer and any advisers appointed by them, if any, (iii) all amounts due to the Operating Bank under the Cash Management Agreement, (iv) all amounts due to the Cash Manager under the Cash Management Agreement (v) (if any) all amounts due to the Facility Agent in reimbursement of amounts previously overpaid in error by the Facility Agent to the Issuer (as "**Senior Lender**") and (vi) all amounts due to the Agents under the Agency Agreement;
- (d) *fourth*, to pay a £1000 per annum, retained profit to the Issuer, quarterly (the "**Issuer's Profit**") to be credited to a separate ledger and segregated from all other amounts standing to the balance of the Issuer Transaction Account (the "**Issuer Profit Ledger**");

- (e) *fifth*, on a *pro rata* and *pari passu* basis, (i) in the Notes Relevant Proportion, in or towards satisfaction of any Exit Fees due or overdue in respect of the Notes and (ii) in the Loan Relevant Proportion, in or towards satisfaction of any Exit Fees due or overdue in respect of the Loan advanced by the Retention Holder;
- (f) *sixth*, in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of (i) interest due and overdue on the Notes, (ii) interest due and overdue on the Loan and (iii) (only on the first Distribution Date falling in May 2017) the Accrued Interest Payments to the Seller;
- (g) *seventh*, on a *pro rata* and *pari passu* basis (i) in the Notes Relevant Proportion, in or towards satisfaction of Default Interest due or overdue in respect of the Notes and (ii) in the Loan Relevant Proportion, in or towards satisfaction of Default Interest due or overdue in respect of the Loan; and
- (h) *eighth*, the surplus (if any) to the Seller as Stripped Interest Payments in accordance with the Loan Sale Agreement.

Application of Principal Receipts Prior to Enforcement

Prior to the service of a Note Acceleration Notice, the Cash Manager will apply Principal Receipts received by the Issuer on or prior to each Distribution Date, as determined on the immediately preceding Determination Date in the following manner and order of priority (the "**Pre-Enforcement Principal Priority of Payments**", together with the Pre-Enforcement Revenue Priority of Payments, the "**Pre-Enforcement Priority of Payments**") (only if and to the extent that payments or provisions of a higher priority have been made in full):

- (a) *first*, on a *pro rata* and *pari passu* basis, (i) in the Notes Relevant Proportion, in or towards satisfaction of all principal due or overdue in respect of the Notes until the Notes have been repaid in full and (ii) in the Loan Relevant Proportion, in or towards the repayment of all principal due and overdue in respect of the Loan until the Loan has been repaid in full; and
- (b) *second*, the surplus (if any) to the Seller as Stripped Interest Payments in accordance with the Loan Sale Agreement.

Post-Enforcement Priority of Payments

Following the service of a Note Acceleration Notice, the Issuer Security Trustee will apply all monies and receipts, received by the Issuer and/or the Issuer Security Trustee or a receiver appointed by it, on each Distribution Date, other than amounts constituting tax credits (whether of principal or interest or otherwise) in the following manner and order of priority, including, other than where expressly set out below, any value added tax (including any reverse-charge value added tax) properly payable thereon (the "**Post-Enforcement Priority of Payments**" and together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the "**Issuer Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full):

- (a) *first*, on a *pro rata* and *pari passu* basis, amounts due and payable in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of the fees or other remuneration of (and amounts payable in respect of indemnity protection) and any costs, charges, liabilities and expenses incurred by the Note Trustee and the Issuer Security Trustee (and, in each case, including any Appointee);
- (b) *second*, in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of the amounts, including, but not limited to, tax adviser fees, costs of tax compliance, legal fees, audit fees, anticipated winding-up costs of the Issuer,

fees due to the stock exchange where the Notes are then listed and company secretarial expenses, which are payable by the Issuer to third parties and incurred without breach by the Issuer of the Note Trust Deed or the Deed of Charge and Assignment and not provided for payment elsewhere, and to provide for any such amounts expected to become due and payable by the Issuer after that Distribution Date, and (to the extent that the same cannot be paid or provided for by funds standing to the credit of the Issuer Transaction Account) to provide for the Issuer's liability or possible liability for corporation tax;

- (c) *third*, in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of (i) all amounts due to the Issuer Corporate Services Provider under the Issuer Corporate Services Agreement, (ii) fees, costs and expenses of the directors of the Issuer and any advisers appointed by them, if any, (iii) all amounts due to the Operating Bank under the Cash Management Agreement, (iv) all amounts due to the Cash Manager under the Cash Management Agreement, (v) (if any) all amounts due to the Facility Agent in reimbursement of amounts previously overpaid in error by the Facility Agent to the Issuer (as Senior Lender) and (vi) all amounts due to the Agents under the Agency Agreement;
- (d) *fourth*, on a *pro rata* and *pari passu* basis, (i) in the Notes Relevant Proportion, in or towards satisfaction of any Exit Fees due or overdue in respect of the Notes and (ii) in the Loan Relevant Proportion, in or towards satisfaction of any Exit Fees due or overdue in respect of the Loan advanced by the Retention Holder;
- (e) *fifth*, in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of (i) interest due and overdue on the Notes, (ii) interest due and overdue on the Loan;
- (f) *sixth*, on a *pro rata* and *pari passu* basis, (i) in the Notes Relevant Proportion, in or towards satisfaction of all principal due or overdue in respect of the Notes and (ii) in the Loan Relevant Proportion, in or towards the repayment of all principal due and overdue in respect of the Loan; and
- (g) *seventh*, the surplus (if any) to the Seller as Stripped Interest Payments in accordance with the Loan Sale Agreement.

Description of Note Trust Deed

The Note Trustee will be appointed pursuant to the Note Trust Deed to represent the interests of the Noteholders. The Note Trustee will agree to hold the benefit of the covenants of the Issuer contained in the Note Trust Deed on behalf of itself and on trust for the Noteholders.

Among other things, the Note Trust Deed:

- (a) sets out when, and the terms upon which, the Note Trustee will be entitled or obliged, as the case may be, to take steps to enforce the Issuer's obligations under the Notes (or certain other relevant documents);
- (b) contains various covenants of the Issuer relating to repayment of principal and payment of interest in respect of the Notes, to the conduct of its affairs generally and to certain ongoing obligations connected with its issuance of the Notes;
- (c) provides for the remuneration of the Note Trustee, the payment of expenses incurred by it in the exercise of its powers and performance of its duties and provides for the indemnification of the Note Trustee against liabilities, losses and costs arising out of the Note Trustee's exercise of its powers and performance of its duties;

- (d) provides that so long as any Notes are outstanding and there is a conflict between the interests of the Noteholders and any other Issuer Secured Creditor, the Note Trustee will take into account only the interests of the Noteholders in the exercise of its discretions, rights or powers;
- (e) provides that the determinations of the Note Trustee will be conclusive and binding on the Noteholders;
- (f) sets out the extent of the Note Trustee's powers and discretions, including its rights to delegate the exercise of its powers or duties to agents, to seek and act upon the advice of certain experts and to rely upon certain documents without further investigation;
- (g) sets out the scope of the Note Trustee's liability for any fraud, gross negligence or wilful default in connection with the exercise of its duties;
- (h) sets out the terms upon which the Note Trustee may, without the consent of the Noteholders, waive or authorise any breach or proposed breach of covenant by the Issuer or determine that a Note Event of Default or an event which will become a Note Event of Default with the giving of notice or the passage of time will not be treated as such;
- (i) sets out the terms upon which the Note Trustee may, without the consent of the Noteholders, make or sanction any modification to the Conditions or to the terms of the Note Trust Deed or certain other relevant documents; and
- (j) sets out the requirements for and organisation of Noteholder meetings and the provisions for appointing a Noteholder Representative.

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

The appointment of a successor Note Trustee will be made by the Issuer or, where the Note Trustee has given notice of its resignation and the Issuer has failed to make any such appointment by the expiry of the applicable notice period, by the Note Trustee itself.

NOTEHOLDER COMMUNICATIONS

Any Verified Noteholder will be entitled from time to time to request the Cash Manager to request other Noteholders to contact it subject to and in accordance with the following provisions.

For these purposes "**Verified Noteholder**" means a Noteholder which has satisfied the Cash Manager in accordance with Conditions 12(x) and 12(xi) (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*) that it is a Noteholder.

Following receipt of a request for the publication of a notice from a Verified Noteholder, the Cash Manager will publish such notice on its investor reporting website and as an addendum to any report to Noteholders due for publication within 2 Business Days of receipt of the same (or, if there is no such report, through a special notice for such purpose as soon as is reasonably practical after receipt of the same) provided that such notice contains no more than:

- (a) an invitation to other Noteholders to contact the Verified Noteholder;
- (b) the name of the Verified Noteholder and the address, phone number, website or email address at which the Verified Noteholder can be contacted;
- (c) the date(s) from, on or between which the Verified Noteholder may be so contacted; and
- (d) a request that a Noteholder wishing to be in contact with the Verified Noteholder confirm its holding in accordance with Condition 12(x) (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*) and confirm that it has not been disenfranchised pursuant to Condition 12(xi) (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*).

The Cash Manager will not be permitted to publish any further or different information through this mechanism.

The Cash Manager will have no responsibility or liability for the contents, completeness or accuracy of any such published information and will have no responsibility (beyond publication of the same in the manner described above) for ensuring Noteholders receive the same.

CASH MANAGEMENT

Cash Manager

Pursuant to the Cash Management Agreement to be entered into on or prior to the Closing Date between the Issuer, the Issuer Security Trustee, the Note Trustee, the Cash Manager and the Operating Bank, the Issuer will appoint Elavon Financial Services DAC, UK Branch (the "**Cash Manager**") to be its agent to provide certain cash management services (the "**Cash Management Services**") in relation to the Issuer Transaction Account, and any other Issuer Accounts. The Cash Manager will undertake with the Issuer and the Issuer Security Trustee that in performing the services to be performed and in exercising its discretions under the Cash Management Agreement, the Cash Manager will perform such responsibilities and duties diligently and in conformity with the Issuer's obligations with respect to the transaction and that it will comply with any directions, orders and instructions which the Issuer or the Issuer Security Trustee may from time to time give to the Cash Manager in accordance with the Cash Management Agreement.

Operating Bank and Issuer Accounts

Pursuant to the Cash Management Agreement, Elavon Financial Services DAC, UK Branch will act as operating bank (the "**Operating Bank**") and, as such, will open and maintain (a) the "**Issuer Transaction Account**" and (b) such other accounts as may be required to be opened for or on behalf of the Issuer from time to time, each in the name of the Issuer (together, the "**Issuer Accounts**"). The Operating Bank has agreed to comply with any direction of the Cash Manager or the Issuer Security Trustee to effect payments from the Issuer Transaction Account or any other Issuer Accounts if such direction is made in accordance with the Cash Management Agreement and the mandate governing the applicable account.

Calculation of Amounts and Payments

On each Determination Date, the Cash Manager is required to determine the various amounts required to pay interest due on the Notes on the immediately following Distribution 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 the Interest Period commencing on such forthcoming Distribution Date and the amount of each principal payment (if any) due on the Notes on the next following Distribution Date, in each case pursuant to Condition 6(d) (*Principal Amount Outstanding*).

In addition, the Cash Manager will:

- (a) from time to time, arrange payment on behalf of the Issuer of all payments and expenses required to be paid by the Issuer to third parties by way of Issuer Priority of Payments or otherwise; and
- (b) make all payments required to carry out an optional redemption of Notes pursuant to and in accordance with the provisions of Condition 6(c) (*Optional Redemption for Tax or Other Reasons*).

For further information on the responsibility of the Cash Manager in respect of the Notes, see "**TERMS AND CONDITIONS OF THE NOTES**" at page 187.

If the Issuer or the Facility Agent fails to supply the Cash Manager with any information it requires to make these determinations, it will make its determinations based on the information provided to it by the Issuer or the Facility Agent on the three preceding Determination Dates and will not be liable to any person (in the absence of material breach, negligence, fraud or wilful default) for the accuracy of such determinations.

Furthermore, if for whatever reason an incorrect payment is made to any party entitled thereto pursuant to the Pre-Enforcement Priority of Payments, the Cash Manager will rectify the same by increasing or reducing payments to such party, as appropriate, on each subsequent Distribution Date or Distribution Dates (if applicable) to the extent required to correct the same. Where such an adjustment is required to be made, the Cash Manager will notify Noteholders of the same in accordance with the terms of Condition 15 (*Notice to and Communication between Noteholders*). Neither the Issuer nor the Cash Manager will have any liability to any person for making any such correction.

Cash Manager Quarterly Report

The Cash Manager has agreed on each Distribution Date to make available electronically to the Arranger, the Issuer, the Issuer Security Trustee and the Note Trustee (for the benefit and on behalf of each Noteholder) a statement to the Noteholders in respect of each Distribution Date in which it will notify the recipients of, among other things, all amounts received in the Issuer Transaction Account and payments made with respect thereto (the "**Cash Manager Quarterly Report**").

The Cash Manager will publish each Cash Manager Quarterly Report at www.usbank.com/abs and registration may be required for access to such website. It is not intended that any Cash Manager Quarterly Report will be made available in any other format, save in certain limited circumstances with the Cash Manager's agreement. The Cash Manager's website does not form part of the information provided for the purposes of this Offering Circular and disclaimers may be posted with respect to the information posted thereon.

Underlying Loan Level Information Reporting

The Cash Manager will make available all information in respect of the Underlying Loan provided to it by the Issuer or directly by the Facility Agent in relation to the immediately preceding Underlying Loan Interest Payment Date to the Noteholders by posting it on its website at www.usbank.com/abs in accordance with the Cash Management Agreement. Such loan level information (the "**Underlying Loan Level Information**") will include:

- (a) a compliance certificate delivered by the Underlying Borrowers to the Facility Agent setting out the minimum interest coverage ratio, loan to value ratio and other financial ratio covenant compliance of the Whole Loan calculated in accordance with the methodologies for determining compliance with the related covenants and provisions pursuant to the Senior Facilities Agreement together with an appendix setting out the calculations used by the Underlying Borrowers in establishing the figures referred to in such certificate;
- (b) a quarterly information report in respect of the Properties and the business of the Underlying Borrowers; and
- (c) to the extent deliverable by any of the Underlying Borrowers on or prior to a particular Underlying Loan Interest Payment Date, all other information provided by the Underlying Borrowers pursuant to the information covenants contained in the Senior Facilities Agreement.

On the Closing Date each of the Seller, the Issuer, the Cash Manager, the Agent Bank, the Issuer Security Trustee and the Facility Agent shall enter into the Loan Sale Agreement pursuant to which the Issuer, as a lender under the Senior Facilities Agreement, will instruct the Facility Agent to make all notices and other information in connection with an Underlying Loan Level Matter to which the Issuer is entitled to receive available to the Cash Manager as agent of the Issuer. All information received by the Cash Manager will be disclosed to the Noteholder Representative and the Noteholders by the Cash Manager pursuant to the Cash Management Agreement by making it available on its website www.usbank.com/abs. Persons wishing to access Underlying Loan Level Information made

available on the website will be required to certify that they are the Noteholder Representative or a Noteholder, as applicable,

To the extent that the Cash Manager receives any notification by the Facility Agent or the Issuer in connection with any amendment or waiver of, or in relation to, any term of any Finance Documents or request to exercise any vote by the Issuer in relation to an Underlying Loan Level Matter, the Cash Manager shall not later than one Business Day after the receipt of any such notification or request make that information available to the Noteholder Representative by electronic mail.

Delegation by the Cash Manager

The Cash Manager is not permitted to subcontract or delegate the performance of any of its obligations under the Cash Management Agreement to any subcontractor, agent, representative or delegate without the prior written consent of the Issuer and the Issuer Security Trustee, such consent not to be unreasonably withheld. Subject to the provisions of the Cash Management Agreement, any delegated or subcontracted obligations, when the necessary consent is given, will not relieve the Cash Manager from any liability under the Cash Management Agreement.

Fees

Pursuant to the Cash Management Agreement, the Issuer will pay to the Cash Manager in advance an annual cash management fee as agreed between the Cash Manager and the Issuer and will reimburse the Cash Manager for all costs and expenses properly incurred by the Cash Manager in the performance of the Cash Management Services.

Termination of Appointment of the Cash Manager

The appointment of Elavon Financial Services DAC, UK Branch as Cash Manager under the Cash Management Agreement may be terminated by virtue of its resignation or its removal by the Issuer or the Issuer Security Trustee. The Issuer (prior to a Note Acceleration Notice being given and not withdrawn) or the Issuer Security Trustee may terminate the Cash Manager's appointment upon not less than 90 days' written notice or immediately upon the occurrence of a termination event as prescribed under the Cash Management Agreement, including, among other things, (a) provided there are sufficient funds available a failure by the Cash Manager to make when due a payment required to be made by the Cash Manager in accordance with the Cash Management Agreement, (b) a failure by the Cash Manager to maintain all appropriate licences, consents, approvals and authorisations required to perform its obligations under the Cash Management Agreement, (c) a material default by the Cash Manager in the performance of any of its other duties under the Cash Management Agreement which continues unremedied for ten Business Days, or (d) a petition is presented or an effective resolution passed or any order is made by a competent court for the winding up (including, without limitation, the filing of documents with the court or the service of a notice of intention to appoint an administrator) or dissolution (other than in connection with a reorganisation, the terms of which have previously been approved in writing by the Issuer Security Trustee or by Extraordinary Resolutions of the Noteholders and where the Cash Manager is solvent) of the Cash Manager or the appointment of an administrator or similar official in respect of the Cash Manager or other creditor enforcement proceedings or arrangements are taken or instituted with respect to its assets. On the termination of the appointment of the Cash Manager by the Issuer Security Trustee, the Issuer may, subject to certain conditions, appoint a successor cash manager, as applicable.

The Cash Manager may resign as Cash Manager, upon not less than 90 days' written notice of resignation to each of the Issuer, the Operating Bank and the Issuer Security Trustee provided that a suitably qualified successor Cash Manager, has been appointed and if no replacement has been appointed after two months, it may appoint the successor itself.

The Noteholders may by an Ordinary Resolution require the removal and replacement of the Cash Manager provided that a suitably qualified successor Cash Manager has been appointed.

Termination of Appointment of the Operating Bank

The Cash Management Agreement requires that the Operating Bank is, except in certain limited circumstances, a bank which meets at least two of the following three long-term rating for its unguaranteed, unsecured and unsubordinated debt obligations of at least (i) "Baa2" by Moody's Investors Service Ltd, (ii) "BBB-" by Standard and Poor's Credit Market Services Europe Limited and (iii) "BBB-" by Fitch Ratings Ltd (the **"Operating Bank Required Ratings"**).

If the Operating Bank ceases to have the Operating Bank Required Ratings, the Operating Bank will give written notice of such event to the Issuer, the Cash Manager and the Issuer Security Trustee, and the Operating Bank shall, within 30 days of such downgrade procure the transfer of any account held by the Issuer with the Operating Bank to another bank with the Operating Bank Required Ratings after having obtained the prior written consent of the Issuer and the Issuer Security Trustee and subject to establishing substantially similar arrangements to those contained in the Cash Management Agreement. If at the time when a transfer of such account or accounts would otherwise have to be made, there is no other bank with the Operating Bank Required Ratings or if no other bank with the Operating Bank Required Ratings agrees to such a transfer, the Operating Bank will consult with the Issuer and the Issuer Security Trustee to consider alternative criteria for a replacement and shall consider any views they may express during the consultation. Following such consultation, if a replacement entity is appointed, such appointment will be notified by the Operating Bank to the Issuer, the Note Trustee and the Issuer Security Trustee promptly. Neither the Operating Bank nor the Cash Manager will have any liability to any person for any delay or failure to procure such transfer.

The Operating Bank may resign as Operating Bank, upon not less than three months' written notice of resignation to each of the Issuer, the Issuer Security Trustee and the Cash Manager provided that a suitably qualified successor Operating Bank has been appointed and if no replacement has been appointed after two months, it may appoint the successor itself.

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 will obtain the prior written consent of the Issuer and the Issuer Security Trustee, and the transfer of such account will be subject to the same directions and arrangements as are provided for above.

The Noteholders may by an Ordinary Resolution require the prompt removal and replacement of the Operating Bank provided that by such Ordinary Resolution, the Noteholders ratify the appointment of a suitably qualified successor Operating Bank, and such replacement is appointed by the Issuer prior to the removal of the existing Operating Bank.

YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS

Yield

The yield to maturity on the Notes will depend upon the price paid by the Noteholders, the interest rate thereof from time to time, the rate and timing of the distributions in reduction of the Principal Amount Outstanding of the Notes and the rate, timing and severity of losses on the Underlying Loan, as well as prevailing interest rates at the time of payment or loss realisation.

The distributions of principal that Noteholders receive in respect of the Notes are derived from principal repayments on the Underlying Loan.

The rate of distributions of principal in reduction of the Principal Amount Outstanding of the Notes, the aggregate amount of distributions in principal on the Notes and the yield to maturity on the Notes will be directly related to the rate of payments of principal on the Underlying Loan, the amount and timing of defaults by an Underlying Borrower and the severity of losses occurring upon a default.

In addition, such distributions in the reduction of the Principal Amount Outstanding of the Notes may result from the repurchase of the Underlying Loan by the Seller in accordance with the Loan Sale Agreement following a breach by the Seller of the representations and warranties that it has given under that agreement in relation to the Underlying Loan.

Losses with respect to the Underlying Loan may occur in connection with a default on the Underlying Loan.

Noteholders will only receive distributions of principal or interest when due to the extent that the related payments under the Underlying Loan and the Related Security are actually received. Consequently, any defaulted payment will, to the extent of the principal portion thereof, tend to extend the weighted average lives of the Notes.

The rate at which voluntary prepayments occur on the Underlying Loan will be affected by a variety of factors, including, without limitation, the terms of the Senior Facilities Agreement, the level of prevailing interest rates, the availability of mortgage credit, the occurrence of casualties or natural disasters and economic, demographic, tax, legal and other factors, and no representation is made as to the anticipated rate of prepayments on the Underlying Loan.

The rate of payments (including voluntary and involuntary prepayments) on the Underlying Loan is influenced by a variety of economic, geographic, social and other factors, including the level of interest rates, the amount of prior refinancing effected by the Underlying Borrowers and the rate at which the Underlying Borrowers default on their loan. The terms of the Senior Facilities Agreement and, in particular, the extent to which the Underlying Borrowers are entitled to prepay the Underlying Loan, the ability of the Underlying Borrowers to realise income from the Properties in excess of that required to meet scheduled payments of interest on the Underlying Loan, the obligation of the Underlying Borrowers to ensure that certain debt service coverage tests are met as a condition to the disposal of the Properties, the risk of compulsory purchase of the Properties and the risk that payments by the Underlying Borrowers may become subject to tax or result in an increased cost for the Issuer may affect the rate of principal payments on the Underlying Loan and, consequently, the yield to maturity of the Notes.

The timing of changes in the rate of prepayment on the Underlying Loan may significantly affect the actual yield to maturity experienced by an investor even if the average rate of principal payments experienced over time is consistent with such investor's expectation. In general, the earlier a prepayment of principal on the Underlying Loan, the greater the effect on such investor's yield to maturity. As a result, the effect on such investor's yield of principal payments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the

issuance of the Notes would not be fully offset by a subsequent like reduction (or increase) in the rate of principal payments.

No representation is made as to the rate of principal payments on the Underlying Loan or as to the yield to maturity of any of the Notes. An investor is urged to make an investment decision with respect to the Notes based on the anticipated yield to maturity of the Notes resulting from its purchase price and such investor's own determination as to anticipated prepayment rates in respect of the Underlying Loan under a variety of scenarios. The extent to which any of the Notes is purchased at a discount or a premium and the degree to which the timing of payments on such Notes is sensitive to prepayments will determine the extent to which the yield to maturity of such Notes may vary from the anticipated yield. An investor should carefully consider the associated risks, including, in the case of any Notes purchased at a discount, the risk that a slower than anticipated rate of principal payments on the Underlying Loan could result in an actual yield to such investor that is lower than the anticipated yield and, in the case of any Notes purchased at a premium, the risk that a faster than anticipated rate of principal payments could result in an actual yield to such investor that is lower than the anticipated yield.

An investor should consider the risk that rapid rates of prepayments on the Underlying Loan, and therefore of amounts distributable in reduction of the principal balance of the Notes may coincide with periods of low prevailing interest rates. During such periods, the effective interest rates on securities in which an investor may choose to reinvest such amounts distributed to it may be lower than the applicable rate of interest on the Notes. Conversely, slower rates of prepayments on the Underlying Loan, and therefore, of amounts distributable in reduction of principal balance of the Notes entitled to distributions of principal, may coincide with periods of high prevailing interest rates. During such periods, the amount of principal distributions resulting from prepayments available to an investor in Notes for reinvestment at such high prevailing interest rates may be relatively small.

Weighted Average Life of the Notes

The weighted average life of a Note refers to the average amount of time that will elapse from the date of its issuance until each Sterling allocable to principal of such Note is distributed to the investor. For the purposes of this Offering Circular, the weighted average life of a Note is determined by (a) multiplying the amount of each principal distribution thereon by the number of years from the Closing Date to the related Distribution Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in the Principal Amount Outstanding of such Note. Accordingly, the weighted average life of any such Note will be influenced by, among other things, the rate at which principal of the Underlying Loan is paid or otherwise collected or advanced and the extent to which such payments, collections or advances of principal are in turn applied in reduction of the Principal Amount Outstanding of the Notes to which such Note belongs.

THE ISSUER

Introduction

Deer Funding UK PLC (the "**Issuer**") was incorporated in England and Wales on 9 December 2016 (registered number 10519539) as a public limited company under the Companies Act 2006. The registered office of the Issuer is at 35 Great St. Helen's, London EC3A 6AP. The telephone number of the Issuer's registered office is +44 (0)20 7398 6300. The share capital of the Issuer is £50,000, divided into 50,000 ordinary shares of £1 each, all of which are issued and partly paid up (49,999 as to £0.25 each and one fully paid up) and held by Issuer Holdco, a limited liability company. The Issuer has no subsidiaries.

Principal Activities

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

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

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

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

Directors and Secretary

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

Name	Role	Business address	Other principal activities
Intertrust Directors 1 Limited	Director	35 Great St. Helen's London EC3A 6AP	Acting as corporate directors for special purpose companies
Intertrust Directors 2 Limited	Director	35 Great St. Helen's London EC3A 6AP	Acting as corporate directors for special purpose companies
Debra Parsall	Director	35 Great St. Helen's London EC3A 6AP	Acting as a director for special purpose companies
Intertrust Corporate Services Limited	Secretary	35 Great St. Helen's London EC3A 6AP	Acting as a secretary for special purpose companies

The Issuer has no employees.

Auditors

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

Control of the Issuer

The rights of the Issuer Holdco as a shareholder of the Issuer are contained in the Articles of Association (as defined in the Master Definitions and Construction Schedule) of the Issuer and the Issuer will be managed in accordance with those articles and with the provisions of the Companies Act 2006.

Issuer Corporate Services Agreement

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

The terms of the Issuer Corporate Services Agreement provide that:

- (a) each of the Issuer, the Issuer Holdco or the Issuer Corporate Services Provider may terminate the Issuer Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Issuer Corporate Services Agreement which is not remedied by a party within 30 days (or such other period as shall be agreed between the parties) of being required to do so;
- (b) each of the Issuer, the Issuer Holdco or the Issuer Corporate Services Provider may terminate the Issuer Corporate Services Agreement at any time by giving not less than 90 days' written notice to the other party; or
- (c) the Noteholders can (acting by Ordinary Resolution) direct that the Issuer Corporate Services Provider be terminated.

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

ISSUER HOLDCO

Introduction

Deer Funding UK Holdings Limited (the "**Issuer Holdco**") was incorporated in England and Wales on 9 December 2016 (registered number 10519519) as a limited liability company under the Companies Act 2006. The registered office of Issuer Holdco is at 35 Great St. Helen's, London EC3A 6AP. The telephone number of Issuer Holdco's registered office is +44 (0)20 7398 6300.

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

Principal activities

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

Directors

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

Name	Role	Business address	Other principal activities
Intertrust Directors 1 Limited	Director	35 Great St. Helen's London EC3A 6AP	Acting as corporate directors for special purpose companies
Intertrust Directors 2 Limited	Director	35 Great St. Helen's London EC3A 6AP	Acting as corporate directors for special purpose companies
Debra Parsall	Director	35 Great St. Helen's London EC3A 6AP	Acting as a director for special purpose companies
Intertrust Corporate Services Limited	Secretary	35 Great St. Helen's London EC3A 6AP	Acting as a secretary for special purpose companies

The Issuer Holdco has no employees.

DESCRIPTION OF THE NOTES

The Issuer accepts responsibility for the accurate reproduction of the information contained in this section which, insofar as it relates to the rules and procedures governing the operations of the Clearing Systems, has been sourced from the Clearing Systems. As far as the Issuer is aware and is able to ascertain from information published by the Clearing Systems, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, prospective Noteholders are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect, and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Registrar, the Note Trustee, the Issuer Security Trustee, the Seller, any Agent party to the Agency Agreement or the Arranger or the Lead Manager (or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act) will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

General

The £110,544,000 Commercial Mortgage Backed Extendable Floating Rate Notes due 2019 (the "**Notes**") are constituted by a trust deed (the "**Trust Deed**") dated on or about the Closing Date between the Issuer and U.S. Bank Trustees Limited (the "**Note Trustee**"), which expression includes the trustee or trustees for the time being under the Trust Deed, as trustee for the Noteholders.

The holders of the Notes (the "**Noteholders**" and each a "**Noteholder**") are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, the provisions of the Trust Deed, the Agency Agreement and the Deed of Charge and Assignment.

The Notes shall be represented by a Global Note in registered form, without coupons or talons in the principal amount of £110,544,000. The Global Note will be deposited on or around the Closing Date with and registered in the name of a nominee for the Common Depositary.

Upon confirmation by the Common Depositary that it has custody of the Global Note, Euroclear or Clearstream, Luxembourg, as the case may be, will credit each subscriber of the Notes with the principal amount of Notes equal to the aggregate principal amount thereof for which it had subscribed and paid ("**Book-Entry Interests**").

Title to the Global Note will pass upon registration of transfers in the Register. The Global Note will only be exchangeable for Definitive Notes (without coupons and talons) in certain limited circumstances described in the section entitled "*Issuance of Definitive Notes*" below.

Holding of Beneficial Interests in Global Note

Ownership of beneficial interests in respect of the Global Note will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg ("**Direct Participants**") or persons that hold beneficial interests or Book-Entry Interests in the Global Note through direct Participants ("**Indirect Participants**" and, together with Direct Participants, "**Participants**"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg either directly or indirectly. Indirect Participants will also include persons that hold beneficial interests through such participants. Beneficial interests or Book-Entry Interests in the Global Note will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective interests beneficially owned by such Participants on each of their respective book-entry registration

and transfer systems. The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability of persons within such jurisdictions or otherwise subject to the laws thereof to own, transfer or pledge beneficial interests or Book-Entry Interests in the Global Note.

Except as set forth below under "*Issuance of Definitive Notes*" at page 185, Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the Note Trust Deed. Accordingly, each person holding a beneficial interest or Book-Entry Interest in the Global Note must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Direct Participant or Indirect Participants through which such person owns its beneficial interest or Book-Entry Interest in the Global Note to exercise any rights and obligations of a holder of Notes under the Note Trust Deed.

Unlike legal owners or holders of the Notes, holders of beneficial interests or Book-Entry Interests in the Global Note will not have the right under the Note Trust Deed to act upon solicitations by the Issuer of consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of a beneficial interest or Book-Entry Interest in the Global Note will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of beneficial interests in the Global Note to vote on any requested actions on a timely basis. Similarly, upon the occurrence of a Note Event of Default under the Notes, holders of beneficial interests or Book-Entry Interests in the Global Note will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear, and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Note Trust Deed.

Unless and until Book-Entry Interests are exchanged for Definitive Notes, the Notes held by the Common Depositary may not be transferred except as a whole by that Common Depositary to a successor of the Common Depositary.

Purchasers of Book-Entry Interests in the Notes will hold Book-Entry Interests in the Global Note relating thereto. Investors may hold their Book-Entry Interests in respect of the Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set forth in the section entitled "*Transfers*" below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in the Note on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

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

Payments on the Global Note

Each payment of interest on and repayment of principal of the Notes shall be made in accordance with the Agency Agreement (as defined below).

Payments of any amounts owing in respect of the Global Note will be made by or on behalf of the Issuer following receipt of any principal or interest on the Global Note, in Sterling as follows: payments of such amounts in respect of the Global Note to be made to the Common Depositary for Euroclear or Clearstream, Luxembourg, or its nominee which will distribute such payments to Participants who hold beneficial interests or Book-Entry Interests in the Global Note in accordance with the procedures of Euroclear or Clearstream, Luxembourg.

Under the terms of the Note Trust Deed, the Issuer and the Note Trustee will treat the registered holders of the Global Note as the owners thereof for the purposes of receiving payments and for all other purposes. Consequently, none of the Issuer, the Issuer Security Trustee or the Note Trustee or any agent of the Issuer, the Issuer Security Trustee or the Note Trustee has or will have any responsibility or liability for:

- (a) any aspect of the records of Euroclear or Clearstream, Luxembourg or any participant or indirect participant relating to or payments made on account of a beneficial interest or Book-Entry Interest in the Global Note or for maintaining, supervising or reviewing any of the records of Euroclear or Clearstream, Luxembourg or any participant or indirect participant relating to or payments made on account of a beneficial interest or Book-Entry Interest in the Global Note; or
- (b) Euroclear or Clearstream, Luxembourg or any participant or indirect participant.

The Note Trustee is entitled to rely on any certificate or other document issued by Euroclear, Clearstream or Luxembourg for determining the identity of the several persons who are for the time being the beneficial holders of any beneficial interest or Book-Entry Interest in the Global Note.

All such payments will be distributed without deduction or withholding for any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment by the Common Depositary or its nominee, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of beneficial interests or Book-Entry Interests in the Global Note as shown in the records of Euroclear or of Clearstream, Luxembourg. The Issuer expects that payments by Participants to owners of beneficial interests or Book-Entry Interests in the Global Note held through such Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name" or in the names of nominees for such customers. Such payments will be the responsibility of such Participants. None of the Issuer, the Note Trustee, the Issuer Security Trustee, the Registrar, the Agents or any other agent of the Issuer, the Note Trustee, the Issuer Security Trustee or the Registrar will have any responsibility or liability for any aspect of the records of Euroclear or Clearstream, Luxembourg relating to or payments made by Euroclear or Clearstream, Luxembourg on account of a participant's ownership of beneficial interests or Book-Entry Interests in the Global Note or for maintaining, supervising or reviewing any records relating to a participant's ownership of beneficial interests or Book-Entry Interests in the Global Note.

Book-Entry Ownership

The Global Note will have an ISIN and a Common Code and will be deposited with, and registered in the name of a nominee for the Common Depositary for Euroclear and Clearstream, Luxembourg.

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have informed the Issuer as follows:

Custodial and depository links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Global Note and secondary market trading of beneficial interests in the Global Note.

Clearstream, Luxembourg and Euroclear each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Clearstream, Luxembourg and Euroclear provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg and Euroclear also deal with domestic securities markets in several countries through established depository and custodial relationships. Clearstream, Luxembourg and Euroclear have established an electronic bridge between their two systems across which their respective Participants may settle trades with each other.

Clearstream, Luxembourg and Euroclear customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream, Luxembourg and Euroclear is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

As Euroclear and Clearstream, Luxembourg act on behalf of their respective account holders only, who in turn may act on behalf of their respective clients, the ability of beneficial owners who are not account holders with Euroclear or Clearstream, Luxembourg to pledge interests in the Global Note to persons or entities that are not account holders with Euroclear or Clearstream, Luxembourg, or otherwise take action in respect of interests in the Global Note, may be limited.

The Issuer understands that, under existing industry practices, if either the Issuer or the Note Trustee requests any action of owners of beneficial interests in the Global Note or if an owner of a beneficial interest in the Global Note desires to give instructions or take any action that a holder is entitled to give or take under the Note Trust Deed, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the Direct Participants owning the relevant beneficial interests to give instructions or take such action, and such direct Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Redemption

For any redemptions of the Global Note in part, selection of the book-entry interests relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such other basis as Euroclear or Clearstream, Luxembourg deems fair and appropriate) provided that only Book- Entry Interests in the original principal amount of £1,000,000 (and integral multiples of £1 in excess thereof) or integral multiples of such original principal amount will be redeemed. Upon any redemption in part, the Paying Agent will mark down or cause to be marked down the schedule to the Global Note by the principal amount so redeemed.

Transfers

All transfers of beneficial interests in the Global Note will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants.

For further information about transfers of beneficial interests in the Global Note and the records thereof, see "*Important Notice*" at page vii.

Issuance of Definitive Notes

Holders of beneficial interests in the Global Note will be entitled to receive Definitive Notes representing Notes in registered form in exchange for their respective holdings of beneficial interests only if:

- (a) 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 alternative clearing system satisfactory to the Note Trustee is available; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any other jurisdiction (or of any political sub-division thereof or of any authority therein or thereof having power to tax) or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive registered form.

Definitive Notes will be issued in definitive form in minimum denominations of £1,000,000 and in integral multiples of £1 thereafter and will be serially numbered and will be issued (without coupons and talons). Title to the Definitive Notes shall pass upon registration of transfers in the Register.

The **"holder"** of any Note shall (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon and no person shall be liable for so treating such holder.

Any Definitive Notes issued in exchange for beneficial interests or Book-Entry Interests in the Global Note will be registered by the Registrar in such name or names as instructed by Euroclear or Clearstream, Luxembourg. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their Participants with respect to ownership of the relevant beneficial interests or Book-Entry Interests.

Action in Respect of the Global Note and the Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notice in respect of the Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Notes, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified Global Note Record Date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Notes in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described above, with respect to soliciting instructions from their respective participants.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form in which they will be set out in the Note Trust Deed.

The £110,544,000 Commercial Mortgage Backed Extendable Floating Rate Notes due 2019 (the "**Notes**") of Deer Funding UK PLC (the "**Issuer**") are constituted by a trust deed dated on or about the Closing Date (the "**Note Trust Deed**", which expression includes such trust deed as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) and made between the Issuer and U.S. Bank Trustees Limited (the "**Note Trustee**", which expression includes its successors or any further or other trustee under the Note Trust Deed) as trustee for the holders for the time being of the Notes.

In these Conditions (as defined below) the holders of the Notes are each referred to as a "**Noteholder**" and, collectively, the "**Noteholders**"

The security for the Notes is constituted by, and on terms set out in, an English law governed deed of charge and assignment dated on or about the Closing Date (the "**Deed of Charge and Assignment**", which expression includes such deed of charge and assignment as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified, the "**Issuer Security Documents**") and made in each case between, among others, the Issuer and U.S. Bank Trustees Limited (the "**Issuer Security Trustee**", which expression includes its successors or any further or other trustee under the Note Trust Deed). By an agency agreement dated on or about the Closing Date (the "**Agency Agreement**", which expression includes such agency agreement as from time to time modified in accordance with the provisions therein contained and any agreement, deed or other document expressed to be supplemental thereto as from time to time so modified) and made between, among others, the Issuer, the Note Trustee, Elavon Financial Services DAC, UK Branch in its separate capacities under the same agreement as principal paying agent (the "**Principal Paying Agent**", which expression includes its successor or any other principal paying agent appointed in respect of the Notes) and the agent bank (the "**Agent Bank**", which expression includes its successor or any other agent bank appointed in respect of the Notes) (the Principal Paying Agent being, together with any further or other paying agents for the time being appointed in respect of the Notes, the "**Paying Agents**") and Elavon Financial Services DAC, as registrar (the "**Registrar**" (which expression includes any other registrar appointed in respect of the Notes) and, together with the Agent Bank, the Registrar and the Paying Agents, the "**Agents**"), provision is made for, among other things, the repayment of principal of and payment of interest on the Notes.

The provisions of these terms and conditions (the "**Conditions**" and any reference to a "**Condition**" shall be construed accordingly) include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Agency Agreement, the Issuer Security Documents, the Cash Management Agreement, the Issuer Corporate Services Agreement, the Loan Sale Agreement, the Share Trust Deed and the Master Definitions and Construction Schedule (as defined below). Copies of the Note Trust Deed, the Agency Agreement, the Issuer Security Documents, the Cash Management Agreement, the Issuer Corporate Services Agreement, the Loan Sale Agreement and the Master Definitions and Construction Schedule (as defined below) are available for inspection during normal business hours and upon request at the specified office of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of and definitions contained in the Note Trust Deed, the Agency Agreement, the Issuer Security Documents, the Cash Management Agreement, the Issuer Corporate Services Agreement, the Loan Sale Agreement, the Share Trust Deed, and a master definitions and construction schedule dated the Closing Date and signed for identification purposes only by each of the Issuer, the Seller, the Cash Manager, the Operating Bank, the Agent Bank, the Principal Paying Agent, the Note Trustee, the Issuer Security Trustee and the Issuer Corporate Services Provider (the "**Master Definitions and**

Construction Schedule", which expression includes such master definitions and construction schedule as from time to time modified in accordance with the provisions therein contained and any agreement, deed or other document expressed to be supplemental thereto as from time to time so modified).

The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on 27 March 2017.

Capitalised terms used and not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule.

References herein to an **"Extraordinary Resolution"** in respect of the Noteholders means;

- (a) a resolution passed at a duly convened meeting of the Noteholders and held in accordance with the provisions of the Note Trust Deed by holders consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by holders consisting of not less than 75 per cent. of the votes cast on such poll; or
- (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate Principal Amount Outstanding of the Notes which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders,

and (in the circumstances set out in Condition 12 (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*) of the Notes in relation to the Negative Consent process) an Extraordinary Resolution (other than in respect of a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Security) will be deemed to have been passed unless 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes have informed the Note Trustee in the prescribed manner of their objection to such Extraordinary Resolution within 15 days after the date on which a notice containing the text of such Extraordinary Resolution which acts as an invitation to Noteholders to object to that Extraordinary Resolution and details the manner in which such objections should be made has been given to the Noteholders in accordance with the provisions of Condition 15 (*Notice to and Communication between Noteholders*) provided that any such notice shall in all cases also be delivered through the systems of Bloomberg L.P. (or such other medium as may be approved in writing by the Note Trustee) by the Issuer, the Note Trustee or the Cash Manager and for so long as the Notes are listed in the Irish Stock Exchange, by making it available to any Regulatory Information Service (as defined in the Master Definitions and Construction Schedule) maintained by the Irish Stock Exchange.

References herein to an **"Ordinary Resolution"** in respect of the Noteholders means;

- (a) a resolution passed at a duly convened meeting of the Noteholders and held in accordance with the provisions of the Note Trust Deed by holders consisting of not less than 50.1 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a holders consisting of not less than 50.1 per cent. of the votes cast on such poll; or
- (b) a resolution in writing signed by or on behalf of the holders of not less than 50.1 per cent. in aggregate Principal Amount Outstanding of the Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders,

and (in the circumstances set out in Condition 12 (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*) of the Notes in relation to the Negative Consent process) an Ordinary Resolution will be deemed to have been passed unless 50.1 per cent. or more in aggregate Principal Amount Outstanding of the Notes have informed the Note Trustee in the

prescribed manner of their objection to such Ordinary Resolution within 15 days after the date on which a notice containing the text of such Ordinary Resolution which acts as an invitation to Noteholders to object to that Ordinary Resolution and details the manner in which such objections should be made has been given to such Noteholders in accordance with the provisions of Condition 15 (*Notice to and Communication between Noteholders*) provided that any such notice shall in all cases also be delivered through the systems of Bloomberg L.P. (or such other medium as may be approved in writing by the Note Trustee) by the Issuer, the Note Trustee or the Cash Manager and for so long as the Notes are listed in the Irish Stock Exchange, by making it available to any Regulatory Information Service maintained by the Irish Stock Exchange.

1. **Global Note**

(a) **Form**

The Notes will be represented by a Global Note in registered form without coupons or talons attached and which will represent the aggregate principal amount outstanding of the Notes. On the Closing Date, the Global Note will be deposited on behalf of the subscribers of the Notes with and registered in the name of a nominee for the Common Depositary. Upon deposit of the Global Note, Euroclear or Clearstream, Luxembourg, as applicable, will credit the account of the holders of Book-Entry Interests with the principal amount of Notes for which it has subscribed and paid.

For so long as any of the Notes and entitlement to payments thereunder are represented by the Global Note, transfers and exchanges of beneficial interests in the Notes will be effected in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

The Global Note shall be tradable only in minimum denominations of £1,000,000 and integral multiples of £1 thereafter.

(b) **Title to the Global Note**

Ownership of beneficial interests or Book-Entry Interests in the Global Note will be shown on, and transfers of beneficial interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants (with respect to the interests of their Participants).

Title to the Notes will pass upon registration of transfers in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar at its specified office outside of the United Kingdom. The registered holder of any Note will, to the fullest extent permitted by applicable law, be deemed and be treated as the absolute owner of such Note by all persons and for all purposes regardless of any notice to the contrary, any notice of ownership, theft or loss, or of any trust or other interest in that Note or of any writing on that Note (other than the endorsed form of transfer).

No transfer of a Note will be valid unless and until entered on the Register. Transfers and exchanges of beneficial interests in the Global Note and entries on the Register relating to the Notes will be made subject to any restrictions on transfers set forth on such Notes and the detailed regulations concerning transfers of such Notes contained in the Agency Agreement, the Note Trust Deed and the relevant legends appearing on the face of the Notes (such regulations and legends being the "**Transfer Regulations**"). Each transfer or purported transfer of a beneficial interest in the Global Note or a Definitive Note made in violation of the Transfer Regulations shall be void *ab initio* and will not be honoured by the Issuer or the Note Trustee. The Transfer Regulations may be changed by the Issuer with the prior written approval of the Note Trustee, acting in accordance with the provisions of Condition 12(iv)

(Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties). A copy of the current Transfer Regulations will be sent by the Registrar to any holder of a Note who so requests and by the Principal Paying Agent to any holder of a Note who so requests, at the cost of the relevant Noteholder making such request.

Ownership of interests in respect of the Global Note (the "**Book-Entry Interests**") will be limited to persons who have accounts with Euroclear and/or Clearstream, Luxembourg or persons who hold interests through such Participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear Bank S.A./N.V. ("**Euroclear**", which term shall include any successor operator of the Euroclear System) and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**", which term shall include any successor thereto) and their Participants. Beneficial interests in the Global Note may not be held by a U.S. Person (as defined in Regulation S under the Securities Act) at any time.

2. **Definitive Notes**

(a) **Issue of Definitive Notes**

The Global Note will be exchanged for definitive Notes in registered form ("**Definitive Notes**") in an aggregate principal amount equal to the Principal Amount Outstanding (as defined in Condition 6(d) (*Principal Amount Outstanding*) of the Global Note only if, 40 days or more after the Closing Date, any of the following circumstances apply:

- (i) in the case of the Global Note held by the Common Depositary (or its nominee) for their account, 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 alternative clearing system acceptable to the Note Trustee is in existence; or
- (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any other jurisdiction or any political sub-division thereof or of any authority therein or thereof having the power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive registered form.

If Definitive Notes are issued in accordance with the Note Trust Deed, the Book-Entry Interests represented by the Global Note shall be exchanged by the Issuer for Definitive Notes. The Definitive Notes will be issued in registered form only.

Definitive Notes, if issued, will be available at the offices of any Paying Agent.

If the Issuer fails to meet obligations to issue Notes in definitive form in exchange for the Global Note, then the Global Note shall remain in full force and effect.

(b) **Title to and Transfer of Definitive Notes**

Title to a Definitive Note will pass upon registration in the Register. Each Definitive Note will have a minimum denomination of £1,000,000 and will be serially numbered. A Definitive Note may be transferred in whole or in part provided that any partial transfer relates to a minimum denomination of at least £1,000,000 upon surrender of such Definitive Note, at the specified office of the Registrar. In the case of a transfer of part only of a Definitive Note, a new Definitive Note in respect of the balance not transferred will be issued

to the transferor. All transfers of Definitive Notes are subject to any restrictions on transfer set forth in such Definitive Notes and the Transfer Regulations.

Each new Definitive Note to be issued upon the transfer, in whole or in part, of a Definitive Note will, within five Business Days (as defined in Condition 5(c) (*Rate of Interest*)) of receipt of the Definitive Note to be transferred, in whole or in part, (duly endorsed for transfer) at the specified office of the Registrar, be available for delivery at the specified office of the Registrar or be posted at the risk of the holder entitled to such new Definitive Note to such address as may be specified in the form of transfer.

Registration of a Definitive Note on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other government charges which may be imposed in relation to it and, only if the relevant Definitive Note is presented or surrendered for transfer and endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by the transferor Noteholder (or his attorney duly authorised in writing) and upon receipt of such certificates and other documents as shall be necessary to evidence compliance with the restrictions on transfer contained in the relevant Definitive Note, the Note Trust Deed and the Agency Agreement.

No transfer of a Definitive Note will be registered in the period beginning 15 Business Days before, or ending on the fifth Business Day after, each Distribution Date.

For the purposes of these Conditions:

- (i) the **"holder"** of a Note or **"Noteholder"** means the several persons who are for the time being holders of the Notes (being the several persons whose names are entered in the register of holders of the Notes as holders thereof) save that, for so long as the Notes or any part thereof are represented by the Global Note deposited with a common depositary for Euroclear and Clearstream, Luxembourg or, in respect of Notes in definitive form held in an account with Euroclear or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear, and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) as the holder of a particular nominal amount of the Notes shall be deemed to be the holder of such nominal amount of such Notes (and the holder of the Global Note shall be deemed not to be the holder) for all purposes of the Note Trust Deed and the Agency Agreement other than with respect to the payment of principal or interest on such nominal amount of such Notes, the rights to which shall be vested, as against the Issuer and the Note Trustee, solely in such common depositary and for which purpose such common depositary shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to its terms and the provisions of the Note Trust Deed and the Agency Agreement, and the words **"holder"** and **"holders"** and related expressions shall (where appropriate) be construed accordingly; and
- (ii) references herein to **"Notes"** shall include the Global Note and the Definitive Notes.

3. **Status, Security and Priority**

(a) **Status and Relationship among the Notes**

- (i) The Notes constitute direct, limited recourse and secured obligations of the Issuer and are secured by the Issuer Security (as more particularly described in Condition 3(b) below). The Notes rank *pari passu* and without preference or priority among themselves as to payments on interest, principal and other amounts at all times.

- (ii) The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders but not to the interests of any other Issuer Secured Creditor for as long as the Notes are outstanding as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee. Accordingly, if, in the opinion of the Note Trustee, there is a conflict between the interests of the Noteholders on the one hand and the interests of the other Issuer Secured Creditors on the other hand, the Note Trustee shall have regard only to the interests of the Noteholders.
- (iii) Nothing in the Note Trust Deed or the Notes shall be construed as giving rise to any relationship of agency or partnership between the Noteholders and any other person and each Noteholder shall be acting entirely for its own account in exercising its rights under the Note Trust Deed or the Notes.

(b) **Security and Priority of Payments**

The security interests granted in respect of the Notes are set out in the Deed of Charge and Assignment governed by English law which will be entered into on the Closing Date.

Pursuant to the Issuer Security Documents, the Issuer will grant the Issuer Security in favour of the Issuer Security Trustee (for itself and on trust for the other Issuer Secured Creditors), the Noteholders, each of the Issuer Related Parties, and any other person acceding to the Deed of Charge and Assignment as a beneficiary from time to time (the "**Issuer Secured Creditors**").

Pursuant to the Deed of Charge and Assignment, the Issuer with full title guarantee has created the following security in favour of the Issuer Security Trustee for itself and on trust for the other Issuer Secured Creditors:

- (i) a first fixed charge over the Issuer's rights, title, interest and benefit, present and future in, to and under the Underlying Loan and the Related Security;
- (ii) an assignment by way of first-ranking security of the Issuer's rights, title, interest and benefit, present and future, in, to and under, among other things, the Cash Management Agreement, the Agency Agreement, the Transaction Documents, the Note Trust Deed, the Issuer Corporate Services Agreement, the Loan Sale Agreement and all other Issuer Transaction Documents and other contracts, agreements, deeds and documents present and future, to which the Issuer is or may become a party (other than any Issuer Security Document);
- (iii) a first fixed charge over the Issuer's rights, title, interest and benefit, present and future, in, to and under the Issuer Transaction Account and any other bank account in England and Wales and in which the Issuer may at any time acquire any right, title, interest or benefit or otherwise place and hold its cash, and in the funds from time to time standing to the credit of such accounts and in the debts represented thereby (excluding the amounts recorded in the Issuer Profit Ledger); and
- (iv) a first-ranking floating charge governed by English law over the whole of the undertaking and assets of the Issuer, present and future (other than the fixed charges and assignments set out in paragraphs (i) to (iii) above) (such floating charge collectively with (i), (ii), and (iii)) above, the "**Issuer Security**").

The Deed of Charge and Assignment contains provisions regulating the priority of application of the Issuer Security (and the proceeds thereof) by the Cash Manager among the persons entitled thereto prior to the service of a Note Acceleration Notice or the Issuer Security otherwise becoming enforceable. The Deed of Charge and Assignment contains provisions

regulating such application by the Issuer Security Trustee after the service of a Note Acceleration Notice or the Issuer Security becoming otherwise enforceable.

If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Issuer Security Trustee will not be entitled to dispose of the undertaking, property or assets secured under the Issuer Security or any part thereof or otherwise realise the Issuer Security unless (i) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Noteholders and any amounts required under the Deed of Charge and Assignment to be paid *pari passu* with, or in priority to, the Notes or (ii) the Issuer Security Trustee is of the opinion, which shall be binding on the Noteholders and the Issuer Related Parties, reached after considering at any time and from time to time the advice of such professional advisers as are selected by the Issuer Security Trustee (at the cost of the Issuer), upon which the Issuer Security Trustee shall be entitled to rely absolutely and without liability, that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Noteholders and any amounts required under the Deed of Charge and Assignment to be paid *pari passu* with, or in priority to, the Notes, or (iii) the Issuer Security Trustee considers, in its sole discretion, that not to effect such disposal or realisation would place the Issuer Security in jeopardy, and, in any event, the Issuer Security Trustee has been indemnified and/or secured and/or pre-funded to its satisfaction, provided that, this restriction will not affect the ability of the Issuer Security Trustee to enforce the security in respect of the Issuer, by appointing an administrative receiver, if it has actual notice of either: (i) an application for the appointment of an administrator; or (ii) the giving of a notice of intention to appoint an administrator, in respect of the Issuer, such appointment of an administrative receiver to take effect upon the final day by which the appointment of an administrative receiver must be made in order to prevent an administration proceeding or (where the Issuer or the directors of the Issuer have initiated the administration) not later than that final day, as required pursuant to, but subject to the provisions of Condition 11 (*Enforcement*).

If the net proceeds of realisation of, or enforcement with respect to, the Issuer Security are not sufficient to make all payments due in respect of the Notes, the other assets of the Issuer (including the amounts standing to the credit of the Issuer Profit Ledger in accordance with the Issuer Transaction Documents) will not be available for payment of any shortfall arising therefrom, and any such shortfall will be borne among the Issuer Secured Creditors and amongst the Noteholders as provided in these Conditions and the Deed of Charge and Assignment. All claims in respect of such shortfall, after realisation of or enforcement with respect to all of the Issuer Security, will be extinguished and the Issuer Security Trustee, the Note Trustee, the Noteholders and the other Issuer Secured Creditors will have no further claim against the Issuer in respect of such unpaid amounts.

Each Noteholder, by subscribing for or purchasing Notes, is deemed to accept and acknowledge that it is fully aware that:

- (A) in the event of realisation or enforcement of the Issuer Security, its right to obtain payment of interest and repayment of principal on the Notes in full is limited to recourse against the undertaking, property and assets of the Issuer comprised in the Issuer Security;
- (B) the Issuer will have duly and entirely fulfilled its payment obligations by making available to such Noteholder its proportion of the proceeds of realisation or enforcement of the Issuer Security in accordance with the payment priorities of the Deed of Charge and Assignment and all claims in respect of any shortfall will be extinguished and discharged; and

- (C) in the event that a shortfall in the amount available to pay principal of the Notes exists on the Distribution Date falling on the Final Maturity Date or on any earlier date for redemption in full of the Notes, after payment on the Final Maturity Date or such date of earlier redemption in full of all other claims ranking higher in priority to or pari passu with the Notes, and the Issuer Security has not become enforceable as at the Final Maturity Date or such date of earlier redemption, the liability of the Issuer to make any payment in respect of such shortfall will cease and all claims in respect of such shortfall will be extinguished.

Where:

"Distribution Date" has the meaning given to it in Condition 5(b) (*Distribution Dates and Interest Periods*);

"Final Maturity Date" means the Distribution Date falling one Business Day after the Final Repayment Date (as defined in Condition 5(b) (*Distribution Dates and Interest Periods*)).

4. **Covenants**

(a) **Restrictions**

Save with the prior written consent of the Note Trustee or unless otherwise provided in or envisaged by these Conditions or the Issuer Transaction Documents, the Issuer shall, so long as any Note remains outstanding:

(i) **Negative Pledge**

not create or permit to subsist any mortgage, sub-mortgage, standard security, assignment, assignation, charge, sub-charge, pledge, lien (unless arising by operation of law), hypothecation, assignment by way of security or any other security interest whatsoever over any of its assets, present or future, (including any uncalled capital);

(ii) **Restrictions on Activities**

(A) not to engage in any activity whatsoever which is not incidental or necessary in connection with any of the activities which the Issuer Transaction Documents or Finance Documents provide or envisage that the Issuer will engage in;

(B) not have any subsidiaries (as defined in the Companies Act 2006), any subsidiary undertakings (as defined in the Companies Act 2006) or any employees or own, rent, lease or be in possession of any buildings or equipment;

(C) not amend, supplement or otherwise modify its memorandum or articles of association or other constitutive documents; or

(D) not enter into any transaction or arrangement otherwise than by way of bargain made at arm's length;

(iii) **Corporation Tax**

not to do anything to prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the Taxation of Securitisation Companies Regulations 2006 (S.I. 2006/3296);

(iv) **VAT**

not apply to become part of any group for the purposes of section 43 to 43D of the Value Added Tax Act 1994 with any other company or group of companies or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same;

(v) **Surrender of group relief**

not offer or consent to surrender to any company any amounts which are available for surrender by way of group relief within Part 5 of the Corporation Tax Act 2010;

(vi) **Disposal of Assets**

not transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein other than as expressly contemplated by the Issuer Transaction Documents, provided that the Issuer shall have the right to sell or agree to the sale of the Issuer Assets if:

- (A) such sale, realisation or disposal is made with the prior written consent of the Issuer Security Trustee;
- (B) in the case of a sale, realisation or disposal of part only of the Issuer Assets, such sale, realisation or disposal is being made only for the purposes of, and in connection with, a redemption of the Notes pursuant to Condition 6 (*Redemption and Cancellation*);
- (C) such sale, realisation or disposal is made for an amount which is not less than the aggregate outstanding principal amount of the Issuer Assets disposed of; and
- (D) the amount which would be payable to the Issuer from such sale, realisation or disposal would be sufficient, after deducting any costs and expenses incurred by the Issuer or the Issuer Security Trustee in connection with such sale, realisation or disposal, to enable the Issuer to pay or discharge all of its secured obligations in full;

(vii) **Dividends or Distributions**

not pay any dividend or make any other distribution to its shareholders or issue any further shares;

(viii) **Borrowings**

not incur or permit to subsist any indebtedness in respect of borrowed money whatsoever, except in respect of the Notes or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;

(ix) **Merger**

not consolidate or merge with any other person or convey or transfer all or substantially all of its property or assets to any other person;

(x) **Variation**

not permit any of the Issuer Transaction Documents to become invalid or ineffective, or the priority of the security interests created or evidenced thereby to be reduced, 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 Note Trust Deed, these Conditions, the Issuer Security Documents or any of the other Issuer Transaction Documents, or permit any party to any of the Issuer Transaction Documents or the Issuer Security or any other person whose obligations form part of the Issuer Security to be released from such obligations or dispose of all or any part of the Issuer Security;

(xi) **Bank Accounts**

not have an interest in any bank account other than the Issuer Transaction Account, unless such account or interest therein is charged or security is otherwise provided to the Issuer Security Trustee on terms acceptable to it;

(xii) **Assets**

not own assets other than those representing its share capital, the proceeds of the Issuer's Profit and any interest thereon, the funds arising from the issue of the Notes, the property, rights and assets secured by the Issuer Security and associated and ancillary rights and interests thereto, the benefit of the Issuer Transaction Documents, the Transaction Documents and any investments and other rights or interests created or acquired thereunder, as all of the same may vary from time to time;

(xiii) **Equitable Interest**

not permit any person other than the Issuer Security Trustee to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein except as otherwise provided for in the Issuer Transaction Documents;

(xiv) **U.S. Activities**

not engage, or permit any of its affiliates, to engage, in any activities in the United States (directly or through agents), derive, or permit any of its affiliates to derive, any income from sources within the United States as determined under United States federal income tax principles, and hold, or permit any of its affiliates to hold, the Properties that would cause it or any of its affiliates to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States federal income tax principles;

(xv) **Purchase of Notes**

not purchase any of the Notes;

(xvi) **Residence**

(A) maintain its central management and control and its place of effective management only in England and in particular shall not be treated under any of the double taxation treaties entered into by the United Kingdom as resident in any other jurisdiction nor shall the Issuer have a permanent establishment or a branch or agency in any jurisdiction other than England under the laws or guidelines of any jurisdiction other than England;

- (B) conduct its affairs in accordance with its memorandum and articles of association from within England, all the directors of the Issuer are and shall remain United Kingdom tax resident, all the directors of the Issuer shall exercise their control over the business of the Issuer independently and all meetings of the directors shall be held in England and all the directors of the Issuer (acting independently) shall exercise their authority only from and within England by taking all key decisions relating to the Issuer in England;

(xvii) **Centre of Main Interests**

conduct its business and affairs such that, at all times, its centre of main interests for the purposes of the EU Insolvency Regulation (EC) No. 1346/2000 of 29 May 2000 shall be and remain in England;

(xviii) **Independent Directors**

ensure that at all times all of its directors are independent of the Seller, the Originator and the Obligors. Any of its direct or indirect shareholders or creditors or their respective affiliates;

(xix) **Separate Accounts**

maintain its records, books of account and bank accounts separate and apart from those of any of its direct or indirect shareholders or creditors or their respective affiliates or any other person or entity and maintain such books and records in the ordinary course of its business;

(xx) **Separate Identity**

- (A) correct any known misunderstandings regarding its separate identity from any of its members, general partners, principals or affiliates thereof or any other person;
- (B) not fail to hold itself out to the public as a legal entity separate and distinct from any other person, fail to conduct its business solely in its own name, mislead others as to the identity with which such other party is transacting business; become responsible for, guarantee, or become obliged to pay the debts of any third party (including any of its members, general partners, principals or affiliates thereof) or hold out credit as available to satisfy the obligations of others; fail to pay its own liabilities out of its funds;
- (C) not share any common logo with or hold itself out as or be considered as a department or division of (i) its shareholder(s), (ii) any of its general partners, principals, members or affiliates thereof, or (iii) any other person and maintain (if applicable) an arm's length relationship with its affiliates;
- (D) not have its assets listed on the accounts or financial statement of any other entity; or commingle its assets with those of any other person or entity;
- (E) use separate stationery, invoices, and cheques bearing its own name;
- (F) allocate fairly and reasonably any overhead for shared office space; and
- (G) not acquire obligations or securities of its own direct or indirect shareholders.

In giving any consent to the foregoing, the Note 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 Note Trustee may deem expedient (in its absolute discretion) in the interests of the Noteholders.

(b) **Paying Agent**

The Issuer will provide the Paying Agents with copies of the Note Trust Deed, the Agency Agreement, the Issuer Security Documents and the other Issuer Transaction Documents, which will be available for collection during normal business hours at the specified office for the time being of the Paying Agents.

(c) **Cash Manager**

So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a cash manager in respect of the monies from time to time standing to the credit of the Issuer Transaction Account and any other account of the Issuer from time to time. The Cash Manager will not be permitted to terminate its appointment unless a replacement cash manager has been appointed in accordance with the Cash Management Agreement.

5. **Interest**

(a) **Period of Accrual**

The Notes bear interest on their Principal Amount Outstanding from (and including) the Closing Date. The Notes (or, in the case of the redemption of part only of the Notes, that part only of the Notes) shall cease to bear interest from its due date for redemption unless, in the case of the Global Note, upon due presentation, or otherwise in the case of a Definitive Note, payment of the relevant amount of principal or any part thereof is improperly withheld or refused on the Global Note or any Definitive Note, as applicable.

Whenever it is necessary to compute an amount of interest for any period (including any Interest Period (as defined below)), such interest shall be calculated on the basis of actual days elapsed and a 365 day year.

(b) **Distribution Dates and Interest Periods**

Interest on the Notes is payable quarterly in arrear on the Business Day immediately following each Underlying Loan Interest Payment Date occurring up to (and including) the Final Maturity Date (or, if any such day is not a Business Day, the next following Business Day unless such Business Day falls in the next following calendar month in which case the immediately preceding Business Day) (each, a "**Distribution Date**") in respect of the Interest Period ending immediately prior thereto. The first Distribution Date in respect of the Notes will be the Distribution Date falling in May 2017 in respect of the period from (and including) the Closing Date and ending on the first Underlying Loan Interest Payment Date.

In these Conditions, "**Interest Period**" shall mean, in respect of the payment of the first Interest Amount (as defined in Condition 5(f) below) on the Determination Date falling in May 2017, the period commencing on the Closing Date and ending on the Underlying Loan Interest Payment Date falling in May 2017 and each successive Interest Period shall start on the day after the last day of the immediately preceding Underlying Loan Interest Period for the Term Facility A Loan and end on the next Underlying Loan Interest Payment Date except that, where an Interest Period would overrun the Expected Maturity Date or the Final Maturity Date, that Interest Period shall be shortened so that it ends on the Expected Maturity Date or the Final Maturity Date, as the case may be (or, if such date is not a Business Day, the immediately preceding Business Day).

Where:

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

"Expected Maturity Date" means the Distribution Date falling on 16 May 2019.

"Final Repayment Date" means either the 15 May 2019 or if each of the First Extension Option Conditions is satisfied on the relevant date specified in the Senior Facilities Agreement, the First Extended Repayment Date or if each of the Second Extension Option Conditions is satisfied on the relevant date specified in the Senior Facilities Agreement, the Second Extended Repayment Date.

"First Extended Repayment Date" means 15 May 2020.

"Second Extended Repayment Date" means 15 May 2021.

"Term Facility A Loan" means the £264,000,000 Term Facility A Loan originated by the Originator under the Senior Facilities Agreement.

"Underlying Loan Interest Period" means in relation to the Term Facility A Loan, each interest period determined in accordance with the terms of the Senior Facilities Agreement.

"Underlying Loan Interest Payment Date" means, in relation to the Term Facility A Loan, 15 February, 15 May, 15 August and 15 November in each year occurring up to (and including) the Final Repayment Date provided that the first Underlying Loan Interest Payment Date shall be 15 May 2017 (or, if any such day is not a Business Day, the next following Business Day, unless such Business Day falls in the next following calendar month, in which case the immediately preceding Business Day).

(c) **Rate of Interest**

Rate of Interest

The rate of interest payable from time to time in respect of the Notes (the **"Rate of Interest"**) will be determined by the Agent Bank on the basis of this Condition 5(c).

The Agent Bank will at, or as soon as practicable after, 11.00 a.m. (London time) on the first day of an Interest Period for which the rate will apply (each, an **"Interest Rate Determination Date"**), determine the Rate of Interest applicable to, and calculate the amount of interest payable on the Notes, for the Interest Period immediately following such Interest Rate Determination Date.

The Rate of Interest applicable to the Notes for any Interest Period will be equal to (A) LIBOR as determined in accordance with this Condition 5(c) *plus* (B) the Margin.

Rate of Interest for the first Interest Period

The Rate of Interest applicable to the Notes for the first Interest Period shall be determined by the Agent Bank on the Closing Date on the basis of the LIBOR rate then applicable to the Term Facility A Loan. For the first Interest Period LIBOR is 0.358060%.

Rate of Interest for each subsequent Interest Period

For the purposes of determining the Rate of Interest in respect of the Notes for each Interest Period occurring after the first Distribution Date in May 2017, the LIBOR component of the Rate of Interest will be equal to the LIBOR rate then applicable to the Term Facility A Loan for the corresponding Underlying Loan Interest Period and as notified by the Facility Agent or, if applicable, the Cash Manager (*provided that* the Facility Agent has notified the Cash

Manager of such LIBOR component of the Rate of Interest but has failed to notify the Agent Bank), to the Agent Bank on, or as soon as practicable after, the relevant Interest Rate Determination Date.

If both the Facility Agent and the Cash Manager fail to notify the Agent Bank of the LIBOR rate (which will include in respect of the Interest Period commencing prior to and following the Expected Maturity Date and the Interest Period commencing immediately prior to the Final Maturity Date the linear interpolation of the rates for one-month and two-month Sterling deposits) applicable to the Term Facility A Loan by 5.00 p.m. (London time) on the Business Day immediately following an Interest Rate Determination Date, then after that time the Agent Bank shall promptly request that the Facility Agent provides the Agent Bank with the LIBOR rate applicable to the Term Facility A Loan. If the Facility Agent fails to respond to such a request by 5.00 p.m. on the second Business Day immediately following an Interest Rate Determination Date then LIBOR for the purpose of calculating the Rate of Interest will be determined by the Agent Bank on the basis of the following provisions:

- (i) the Agent Bank will determine at or about 11.00 a.m. (London time) on the third Business Day immediately following an Interest Rate Determination Date, the interest rate for three month Sterling deposits in the London interbank market which appears on the Reuters screen LIBOR01 or LIBOR02 Page (the "**LIBOR Screen Rate**") (or, in respect of the Interest Period commencing immediately prior to and following the Expected Maturity Date and the Interest Period commencing immediately prior to the Final Maturity Date, the arithmetic mean of a linear interpolation of the rates for one-month and two-month Sterling LIBOR deposits) (or (i) such other page as may replace the Reuters screen LIBOR01 or LIBOR02 Page for the purpose of displaying such information or (ii) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Note Trustee), in each case only after a request has been made by the Agent Bank to the Facility Agent to provide it with the page or service displaying the relevant rate as specified by the Facility Agent in accordance with the terms of the Senior Facilities Agreement); or
- (ii) if the LIBOR Screen Rate is not then available, and only after a request has been made by the Agent Bank to the Facility Agent to provide it with the arithmetic mean of the rates supplied to the Facility Agent by the relevant reference banks in accordance with the terms of the Senior Facilities Agreement, the arithmetic mean (rounded upwards to four decimal places) of the rates notified to the Agent Bank by the Facility Agent at its request by each of three Reference Banks as the rate at which three month deposits in reasonable market size in Sterling are offered for the same period as that Interest Period by those Reference Banks to prime banks in the London inter-bank market at or about 11.00 a.m. (London time) on that date (or, in respect of the Interest Period commencing immediately prior to and following the Expected Maturity Date and the Interest Period commencing immediately prior to the Final Maturity Date, the arithmetic mean of a linear interpolation of the rates for one-month and two-month Sterling LIBOR deposits). If, on any such date, at least two of the Reference Banks provide such offered quotations to the Facility Agent the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such date, only one or none of the Reference Banks provides the Facility Agent with such an offered quotation, the Facility Agent shall forthwith consult with the Issuer (or the Cash Manager on its behalf) for the purposes of agreeing one or, as the case may be, two additional bank(s) to provide such a quotation or quotations to the Facility Agent and the rate for the Interest Period in question shall be determined, as aforesaid, on the basis of the offered quotations of such Reference Bank and/or banks as so agreed. If no such bank or banks is or are so agreed or such bank or banks as so agreed does not or do not provide such a quotation or quotations, then the rate for the relevant Interest Period

shall be the arithmetic mean (rounded upwards to four decimal places) of the rates quoted by major banks in the London interbank market, selected by the Agent Bank (at its sole discretion), at approximately 11.00 a.m. (London time) on the relevant date, for Underlying Loans in Sterling in reasonable market size to leading London banks for a period of three months. If the Rate of Interest cannot be determined in accordance with the above provisions, the Rate of Interest shall be determined as at the last preceding Interest Determination Date.

If the rate of LIBOR calculated by the Agent Bank pursuant to this Condition 5(c) is less than zero, LIBOR will be deemed to be zero.

If at any time prior to a Distribution Date immediately following an Interest Rate Determination Date, the Agent Bank determines LIBOR for the purpose of calculating the Rate of Interest in accordance with this Condition 5(c), and the Facility Agent subsequently notifies the Agent Bank of the LIBOR rate then applicable to the Term Facility A Loan, the Agent Bank shall apply the LIBOR component notified to it by the Facility Agent for the purpose of calculating the Rate of Interest then applicable to the Notes for the relevant Interest Period.

Where:

"LIBOR" means the London interbank offered rate for three month Sterling deposits.

"Margin" means 2.45 per cent. per annum.

(d) **Default Interest**

Upon receipt of any Default Interest by the Issuer (the date on which the Default Interest is paid by the Obligors is referred to as the **"Default Interest Payment Date"**), the amount of Default Interest shall, on the Distribution Date on which the Default Interest Payment Date falls or if the Default Interest Payment Date does not fall on a Distribution Date, the Distribution Date immediately following the Default Interest Payment Date, be paid pursuant to this Condition 5(d) to the Notes in accordance with the applicable Issuer Priority of Payments.

Where:

"Default Interest" means, with respect to any unpaid sums which an Obligor fails to pay under a Finance Document, the interest accrued and payable by an Obligor to the Facility Agent on any such overdue amount as calculated in accordance with the default interest provisions of the Senior Facilities Agreement.

(e) **Additional Amounts**

Upon receipt of any other Revenue Proceeds not otherwise expressly accounted for in this Condition 5 (Interest) (including, without limitation, Exit Fees) by the Issuer, the Notes Relevant Proportion of such Revenue Proceeds shall, on the immediately following Distribution Date, be paid pursuant to this Condition 5(e) to the Notes in accordance with the applicable Issuer Priority of Payments.

(f) **Determination of Rate of Interest and Calculation of Interest Amounts for Notes**

The Agent Bank shall, on or as soon as practicable after each Interest Rate Determination Date, but in no event later than one Business Day prior to a Distribution Date, notify the Issuer, the Note Trustee, the Cash Manager, the Paying Agents and each of the clearing systems in writing of (i) the Rate of Interest applicable to the Interest Period immediately

following such Interest Rate Determination Date, in respect of the Notes and (ii) the amount of interest (the "**Interest Amount**") payable, subject to Conditions 5(b) above, in respect of such Interest Period in respect of the Notes. Each Interest Amount in respect of the Notes shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of the Notes and multiplying such sum by the actual number of days in the relevant Interest Period divided by 365 and rounding the resultant figure downward to the nearest pence.

(g) **Adjusted Interest on account of Underlying Loan payments**

- (i) If the Issuer receives payments under the Senior Facilities Agreement on account of a repayment or prepayment of all or part of the Underlying Loan or any unpaid sum (a "**Prepaid Amount**") on any date other than an Underlying Loan Interest Payment Date (excluding any payments received on the Expected Maturity Date and the Final Maturity Date) (such date referred to as an "**Intra-Loan Interest Payment Date**") the Interest Amount payable on the Notes on the immediately following Distribution Date shall be calculated by the Agent Bank as follows:

$$(A + B) - C$$

(the "**Adjusted Interest Amount**") Where:

A = the Interest Amount as calculated in accordance with Condition 5(e) above.

B = Break Costs (if any).

C = LIBOR and Margin on the Prepaid Amount, which would have accrued, for the period from (but excluding) the Intra-Loan Interest Payment Date up to (and including) the last date of the then applicable Interest Period but for the repayment or prepayment referred to in this Condition 5(g)(i).

The positive difference between the Interest Amount that would be payable on the Notes on the immediately following Distribution Date but for the repayment or prepayment referred to in Condition 5(g)(i) above and the Adjusted Interest Amount shall not be due and payable to the Noteholders on the Distribution Date immediately following the Intra-Loan Interest Payment Date and none of the Noteholders shall have any claim against the Issuer in respect of such amount.

To the extent that the Noteholder Representative does not provide a break cost determination to the Facility Agent in accordance with clause 11.4 (*Break Costs*) of the Senior Facilities Agreement then Break Costs will be deemed to be zero.

Where:

"Break Costs" means the breakage costs payable to the Issuer corresponding to the Issuer's interest in the Loan repaid or prepaid on an Intra-Loan Interest Payment Date provided that the Noteholder Representative has provided a break cost determination to the Facility Agent in accordance with clause 11.4 (*Break Costs*) of the Senior Facilities Agreement.

- (ii) Any payments received by the Issuer on the Final Repayment Date shall be paid on the Distribution Date falling on the Expected Maturity Date and the Interest Amount payable on the Expected Maturity Date shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of the Notes and multiplying such sum by the actual number of days elapsed from the commencement of the relevant Interest Period up to (and including) the Expected Maturity Date divided by 365 and rounding the resultant figure downward to the nearest pence.

- (iii) With respect to any payments to be made on the Notes on the Final Maturity Date, the Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of the Notes and multiplying such sum by the actual number of days elapsed from the commencement of the relevant Interest Period up to (and including) the Final Maturity Date divided by 365 and rounding the resultant figure downward to the nearest pence.

(h) **Publication of Rates of Interest, Interest Amounts and other Notices**

As soon as practicable after receiving notification thereof but in no event later than two Business Days prior to a Distribution Date, the Agent Bank on behalf of the Issuer will cause the Rate of Interest and the Interest Amount applicable to the Notes for each Interest Period and the Distribution Date in respect thereof to be notified in writing to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") (for so long as the Notes are listed on the Irish Stock Exchange) and will cause notice thereof to be given to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*). The Interest Amounts, Distribution Date and other determinations so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period for the Notes.

(i) **Determination and/or Calculation by the Note Trustee**

If the Agent Bank does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Amount for any of the Notes and/or make any other necessary calculations in accordance with the foregoing Conditions, the Note Trustee shall (or shall appoint an agent at the cost of the Issuer, on its behalf to do so) (i) determine the Rate of Interest at such rate as is, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances, and/or (as the case may be), (ii) calculate the Interest Amount for the Notes in the manner specified in Condition 5(d) above and/or (as the case may be) and any such determination and/or calculation shall be deemed to have been made by the Agent Bank and the Note Trustee shall have no liability in respect thereof.

(j) **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 (as defined below) (or any of them) or the Agent Bank or the Note Trustee shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Reference Banks, the Agent Bank, the Note Trustee, the Cash Manager, the Paying Agents and all Noteholders and (in the absence of wilful default or fraud) no liability to the Noteholders shall attach to the Issuer, the Reference Banks, the Agent Bank or the Note Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

(k) **Reference Banks and Agent Bank**

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall, at all times, be three Reference Banks and an Agent Bank. The initial Reference Banks are to be the principal London offices of three major banks in the London interbank market chosen by the Facility Agent (the "**Reference Banks**"). In the event of the principal London office of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as specified by the Facility Agent in accordance with the terms of the Senior Facilities Agreement) as may have been previously approved in writing by the Note Trustee to act as such in its place. Any purported resignation or removal by the Agent Bank shall not take effect until a successor so approved by the Note Trustee has been appointed.

6. Redemption and Cancellation

(a) Final Redemption

Unless previously redeemed in full and cancelled as provided in this Condition 6, the Issuer shall redeem the Notes at their Principal Amount Outstanding together with accrued interest on the Final Maturity Date.

The Issuer may not redeem Notes in whole or in part prior to the Final Maturity Date except as provided in this Condition but without prejudice to Condition 10 (*Note Events of Default*).

The Issuer shall as soon as reasonably practicable upon being notified of the same notify from the Facility Agent, provide or procure notice to the Noteholders in accordance with Condition 15 (Notice to and Communication between Noteholders) of any extension of the Underlying Loan to the First Extended Repayment Date or the Second Extended Repayment Date, as the case may be.

(b) Mandatory Redemption from Principal Receipts

Unless the Notes are previously redeemed in full and cancelled as provided in this Condition 6(b), the Notes are subject to mandatory early redemption in full or, as the case may be, in part on each Distribution Date in an amount not exceeding the Notes Relevant Proportion of the Principal Receipts received and allocated to the Notes in accordance with the provisions of the Cash Management Agreement.

If the Underlying Borrowers repay the whole or part of the Underlying Loan on an Intra-Loan Interest Payment Date an amount equal to the Notes Relevant Proportion of the Principal Receipts received by or on behalf of the Issuer attributable to such repayment shall be applied to redeem the Notes on the date that falls one Business Day following an Intra-Loan Interest Payment Date in accordance with the applicable Issuer Priority of Payments, as if such date on which the Notes are to be redeemed is a Distribution Date.

(c) Optional Redemption for Tax or Other Reasons

If the Issuer at any time satisfies the Note Trustee (who will be so satisfied if it receives a legal opinion to its satisfaction confirming such matters) 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 thereof) from that in effect on the Closing Date, on the next Distribution Date the Issuer or any Paying Agent on its behalf would be required to deduct or withhold from any payment of principal or interest in respect of the Notes (other than where the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of Notes and other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by the Issuer taking reasonable measures available to it;
- (ii) if any amount payable by the Underlying Borrowers in respect of the Issuer Assets is reduced or ceases to be receivable (whether or not actually received) by the Issuer during the Interest Period preceding the next Distribution Date; or

- (iii) following the occurrence of a Purchase Event, the exercise by the Facility B Lenders of their option to purchase the Facility A Debt in accordance with the provisions of the Intercreditor Deed and the receipt by the Issuer of its pro rata share of the relevant Facility A Debt Purchase Amount,

and in any such case, the Issuer has, prior to giving the notice referred to below, certified to the Note Trustee that it will have the necessary funds on such Distribution Date to discharge all of its liabilities in respect of the Notes to be redeemed under this Condition 6(c) and any amounts required under the Cash Management Agreement, the Note Trust Deed and 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 Distribution Date on which such notice expires, no Note Acceleration Notice has been served, then the Issuer may, but shall not be obliged to, on any Distribution 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 Distribution Date to the Note Trustee, the Paying Agents and to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*), redeem the Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Notes plus interest accrued and unpaid thereon.

(d) **Principal Amount Outstanding**

On each Determination Date, the Cash Manager shall determine the Principal Amount Outstanding of the Notes on the next following Distribution Date (after deducting any principal payment to be paid on such Notes on that Distribution Date). Each determination by the Cash Manager of the Principal Amount Outstanding of the Notes shall (in the absence of wilful default or manifest error) be final and binding on all persons.

The "**Principal Amount Outstanding**" of the Notes on any date will be its face amount less the aggregate amount of principal repayments or prepayments made in respect of that Note since the Closing Date.

The Issuer (or the Cash Manager on its behalf) will cause each determination of a Principal Amount Outstanding to be notified in writing forthwith to the Note Trustee, the Paying Agents, the Agent Bank and (for so long as the Notes are listed on the Irish Stock Exchange) the Irish Stock Exchange and will cause notice of each determination of a Principal Amount Outstanding to be given to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*) as soon as reasonably practicable thereafter.

If the Issuer (or the Cash Manager on its behalf) does not at any time for any reason determine a Principal Amount Outstanding in accordance with the preceding provisions of this Condition 6(d), such Principal Amount Outstanding may be determined by the Note Trustee, in accordance with this Condition 6(d), and each such determination or calculation shall be conclusive and shall be deemed to have been made by the Issuer or the Cash Manager, as the case may be and the Note Trustee shall have no liability in respect thereof.

(e) **Notice of Redemption**

Any such notice as is referred to in Condition 6(d) above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes in the amounts specified in this Condition. As soon as reasonably practicable after becoming aware that the same will occur, the Issuer will cause notice of the proposed redemption of the Notes to be given to the Irish Stock Exchange (for so long as the Notes are listed on the Irish Stock Exchange). Any certificate or legal opinion given by or on behalf of the Issuer pursuant to Condition 6(c) above may be relied on by the Note Trustee without further investigation and shall be conclusive and binding on the Noteholders.

(f) **Cancellation**

All Notes redeemed in full pursuant to the foregoing provisions will be cancelled forthwith by the Issuer or on its behalf in accordance with the Issuer Transaction Documents and may not be resold or re-issued.

(g) **No Purchase by Issuer**

The Issuer will not purchase any of the Notes.

7. **Payments**

(a) **Global Note**

Payments of principal and interest in respect of the Global Note will be made by transfer to the registered account of the Noteholder.

Subject to Condition 7(b) below, interest will be paid to the holder (or the first named if joint holders) shown on the Register at the close of business on the Business Day before the due date for payment thereof (the "**Global Note Record Date**").

Payments in respect of the Global Note will be made in Sterling to holders of interests in the Notes (such holders being, the "**Euroclear/Clearstream Holders**").

A Euroclear/Clearstream Holder may receive payments in respect of its interest in the Global Note in dollars in accordance with Euroclear's and Clearstream, Luxembourg's customary procedures. All costs of conversion from any such election will be borne by such Euroclear/Clearstream Holder.

(b) **Definitive Notes**

Payments of principal and interest (except where, after such payment, the unpaid principal amount of the Note would be reduced to zero (including as a result of any other payment of principal due in respect of the Note), in which case the relevant payment of principal and interest, as the case may be, will be made against surrender of such Note) in respect of Definitive Notes, will be made to the holder of a Definitive Note upon presentation of the relevant Definitive Note(s) at the specified office of the Registrar not later than the Definitive Note Record Date (as defined below) for payment in respect of

such Definitive Note or by transfer to a Sterling denominated account nominated in writing by the payee to the Registrar and maintained with a branch of a bank in London not later than the due date for such payment. Any such application for transfer to such account shall be deemed to relate to all future payments in respect of such Definitive Note until such time as the Registrar is notified in writing to the contrary by the holder thereof.

If any payment due in respect of any Definitive Note is not paid in full, the Registrar will annotate the Register with a record of the amount, if any, so paid. For the purposes of this Condition 7(b), the holder of a Definitive Note will be deemed to be the person shown as the holder (or the first-named of joint holders) on the Register on the fifteenth day before the due date for such payment (in relation to the Definitive Notes, the "**Definitive Note Record Date**").

(c) **Laws and Regulations**

Payments of principal, and interest in respect of the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of

the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto..

(d) **Overdue Principal Payments**

If repayment of principal is improperly withheld or refused on or in respect of the Notes or part thereof, the interest which continues to accrue in respect of the Notes or part thereof in accordance with Condition 5(a) (Period of Accrual) will be paid against presentation of the Notes at the specified office of any Paying Agent, and in the case of any Definitive Note, will be paid in accordance with Condition 7(b) above.

(e) **Change of Agents**

The Principal Paying Agent is Elavon Financial Services DAC, UK Branch. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar and the Agent Bank and to appoint additional or other Agents. The Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*).

(f) **Presentation on Non-Business Days**

If the Notes are presented (if required) for payment on a day which is not a business day in the place where it is so presented, payment shall be made on the next succeeding day that is a business day (unless such business day falls in the next succeeding calendar month in which event the immediately preceding business day) and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of the Notes. For the purposes of Condition 6 (*Redemption and Cancellation*) and this Condition 7, "**business day**" shall mean, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments in that place.

(g) **Accrual of Interest on Late Payments**

If any payment of interest, principal or any other amount is not paid in respect of the Notes on the date when due and payable (other than because the due date is not a business day (as defined in Condition 7(f) above) or by reason of non-compliance with Condition 7(a) or 7(b) above), then such unpaid amount shall itself bear interest at the applicable Rate of Interest until such interest and interest thereon is available for payment and notice thereof has been duly given to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*), provided that such interest and interest thereon are, in fact, paid.

(h) **Incorrect Payments**

The Cash Manager will, from time to time, notify Noteholders in accordance with the terms of Condition 15 (*Notice to and Communication between Noteholders*) of any over-payment or under-payment of which it has actual notice made on any Distribution Date to any party entitled to such payment pursuant to the Pre-Enforcement Priority of Payments. Following the giving of such a notice, the Cash Manager shall rectify such over-payment or under-payment by increasing or, as the case may be decreasing payments to the relevant parties on any subsequent Distribution Date. Any notice of over-payment or under-payment pursuant to this Condition 7 shall contain reasonable details of the relevant amount, the relevant parties and the adjustments to be made to future payments to rectify the over-payment or under-payment,

as applicable. Neither the Issuer nor the Cash Manager shall have any liability to any person for making any such correction.

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 relevant Paying Agent is required by applicable law in any jurisdiction to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person 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 the Global Note shall become void unless the Global Note is presented for payment within ten years of the appropriate relevant date. Claims for interest in respect of the Global Note shall become void unless the Global Note is presented for payment within five years of the appropriate relevant date.

Claims for principal and interest in respect of Definitive Notes shall become void unless made within ten years, in the case of principal, and five years, in the case of interest, of the appropriate relevant date.

In this Condition 9, the "**relevant date**" means the date on which a payment first becomes due, but if the full amount of the moneys payable has not been received by the relevant Paying Agent or the Note 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 (*Notice to and Communication between Noteholders*).

10. **Note Events of Default**

(a) **Note Event of Default**

If any of the events mentioned in sub-paragraphs (i) to (v) inclusive below shall occur (each such event being, a "**Note Event of Default**"), the Note Trustee at its absolute discretion may, and if so requested in writing by the "**Eligible Noteholders**", being the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Notes or if so directed by or pursuant to an Extraordinary Resolution of the Noteholders shall, and in any case aforesaid, subject to the Note Trustee being indemnified and/or secured and/or pre-funded to its satisfaction, give notice (a "**Note Acceleration Notice**") to the Issuer and the Issuer Security Trustee declaring all the Notes to be immediately due and repayable and the Issuer Security enforceable:

- (i) either, in respect of the Notes, the Issuer defaults:
 - (A) for a period of three days in the payment of the principal when and as it becomes due and payable in accordance with these Conditions; or
 - (B) for a period of five days in the payment of any interest (including any Exit Fees or Default Interest) when due on a Distribution Date or any date on which the Notes are required to be redeemed in accordance with these Conditions; or

- (ii) the Issuer defaults in the performance or observance of any other obligation binding upon it under the Notes, the Note Trust Deed, the Issuer Security Documents or the other Issuer Transaction Documents to which it is party and, in any such case (except where the Note Trustee certifies that, in its opinion, such default is incapable of remedy when no notice will be required), such default continues for a period of 14 days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in Condition 10(a)(iv) below, ceases or, consequent upon a resolution of the board of directors of the Issuer, threatens to cease to carry on business or (in the opinion of the Note Trustee based upon any financial advice which the Note Trustee may require) a substantial part of its business or the Issuer is or is deemed unable to pay its debts as and when they fall due; or
- (iv) an order is made or an effective resolution is passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders; or
- (v) proceedings shall be initiated against the Issuer under any applicable liquidation, insolvency, examinership, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice to appoint an administrator) and such proceedings are not being disputed in good faith with a reasonable prospect of success, or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator, examiner or other similar official shall be appointed (or formal notice is given of an intention of appoint an administrator) in relation to the Issuer or any part of its undertaking, property or assets, or an encumbrancer shall take possession of all or any part of the undertaking, property or assets of the Issuer, or a distress, execution, diligence or other process shall be levied or enforced upon or sued against all or any part of the undertaking, property or assets of the Issuer and such appointment, possession or process is not discharged or does not otherwise cease to apply within 15 days, or the Issuer (or the shareholders of 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 or a composition or similar arrangement with its creditors generally or takes steps with a view to obtaining a moratorium in respect of any of the indebtedness of the Issuer,

provided that in the case of each of the events described in Condition 10(a)(ii) above, the Note Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders then outstanding.

(b) Effect of Declaration by Note Trustee

Upon any declaration being made by the Note 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 as provided in the Note Trust Deed and the Issuer Security shall become enforceable.

11. Enforcement

The Note Trustee may, at its discretion and without notice, take such proceedings and/or other action or steps against or in relation to the Issuer or any other person as it may think fit to

enforce the provisions of the Notes, the Note Trust Deed, these Conditions and the other Issuer Transaction Documents to which it is a party and the Note Trustee may direct the Issuer Security Trustee at any time after the Issuer Security has become enforceable, at its discretion and without notice, to take such steps as it may think fit to enforce the Issuer Security, but neither the Note Trustee nor the Issuer Security Trustee shall be bound to take any such proceedings, actions or steps, unless:

- (i) it shall have been requested in writing by the Eligible Noteholders or if directed by or pursuant to an Extraordinary Resolution of the Noteholders; and
- (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including without limitations in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof as legal fees and expenses on a full indemnity basis which it may incur by so doing.

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to the Issuer Transaction Documents or to enforce the Issuer Security unless the Note Trustee or, as the case may be, the Issuer Security Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing provided that no Noteholder shall be entitled to take proceedings for the winding up, examination or administration of the Issuer. The Issuer Security Trustee cannot, while any of the Notes are outstanding, be required to enforce the Issuer Security at the request of any other Issuer Secured Creditor under the Issuer Security Documents, as applicable.

The Deed of Charge and Assignment will provide that the Issuer Security Trustee shall enforce the security in respect of the Issuer, by appointing an administrative receiver (where possible), if it has actual notice of either: (i) an application for the appointment of an administrator; or (ii) the giving of a notice of intention to appoint an administrator, in respect of the Issuer, such appointment to take effect upon the final day by which the appointment must be made in order to prevent an administration proceeding or (where the Issuer or the directors of the Issuer have initiated the administration) not later than that final day.

In addition, the Issuer Security Trustee may (subject to the matters described in paragraphs below), following the service of a Note Acceleration Notice, enforce the security in respect of the Issuer by the appointment of an administrative receiver (where possible) (if the Issuer Security Trustee has not already done so pursuant to the foregoing) subject to being indemnified and/or secured and/or prefunded to its satisfaction.

The Issuer Security Trustee shall not be liable for any failure to appoint an administrative receiver, save in the case of its own gross negligence, wilful default or fraud.

The Issuer Security Trustee will not be obliged to appoint an administrative receiver unless it is indemnified and/or secured and/or pre-funded to its satisfaction. However, the Deed of Charge and Assignment will provide that if the Issuer Security Trustee is required to enforce the security by appointing an administrative receiver following receipt of actual notice of an application for the appointment of an administrator or actual notice of the giving of a notice of intention to appoint an administrator, the Issuer Security Trustee will agree that it is adequately indemnified and secured in respect of such appointment by virtue of its rights against the Issuer under the Deed of Charge and Assignment and the security which it has in respect of such rights. The Issuer will covenant in the Deed of Charge and Assignment that, if the Issuer Security Trustee appoints an administrative receiver by reason of having actual notice of an application for the appointment of an administrator or actual notice of the giving

of a notice of intention to appoint an administrator, it waives any claim against the Issuer Security Trustee in respect of such appointment.

12. Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties

- (i) The Note Trust Deed contains provisions for convening meetings of the Noteholders, to consider any matter affecting their interests including the sanctioning by Extraordinary Resolution or Ordinary Resolution, as appropriate, of, among other things, the removal of the Note Trustee, the Issuer Security Trustee, the Cash Manager, the Operating Bank, the Agent Bank, the Principal Paying Agent, the Registrar or the Issuer Corporate Services Provider, a modification of the Notes or the Note Trust Deed (including these Conditions) or the provisions of any of the other Issuer Transaction Documents.
- (ii) These provisions allow the Issuer, the Note Trustee or the Cash Manager to convene Noteholder meetings for any purpose including consideration of Extraordinary Resolutions or Ordinary Resolutions and provided that at least 10 days (or, in the case of an adjourned meeting at least 5 days) notice of such meeting be given to Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*). The Issuer shall be obliged to convene a meeting of Noteholders if requested to do so in writing by not less than ten per cent. of the holders of the Notes.
- (iii) Subject as provided below, the quorum at any meeting of the Noteholders or persons present holding voting certificates or being proxies or at any adjourned meeting, for passing an Extraordinary Resolution or an Ordinary Resolution shall be one or more persons holding or representing not less than 50.1 per cent. in Principal Amount Outstanding of the Notes.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution that would have the effect of (i) modifying the date of maturity of the Notes; (ii) modifying any day for the payment of interest on the Notes; (iii) reducing the amount of principal or the rate of interest payable in respect of the Notes; (iv) modifying the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of the Notes; (v) modifying the definition of "Basic Terms Modification"; (vi) altering the currency of payment of the Notes referable thereto; or (vii) releasing any of the Issuer Security (or any part thereof) other than in accordance with the Issuer Transaction Documents (and without prejudice to the Note Trustee's and the Issuer Security Trustee's ability to exercise their respective powers and discretions under the Issuer Transaction Documents) (each, a "**Basic Terms Modification**"), shall be one or more persons holding Notes or voting certificates in respect thereof or proxies representing not less than 75 per cent. of the Principal Amount Outstanding of the Notes for the time being outstanding, or at any adjourned such meeting, not less than 75 per cent. of the Principal Amount Outstanding of the Notes for the time being outstanding. A Basic Terms Modification may only be effected by an Extraordinary Resolution.

To the extent that any modification, waiver or consent to any Finance Document involved any interaction with any Noteholders, including but not limited to any Extraordinary Resolution or Ordinary Resolution pursuant to which Noteholders provided any consent or direction with respect to any proposed modification, waiver or consent of the Finance Documents, the Issuer must require the Underlying Borrowers, as a condition to effectiveness of any such modification, waiver or consent, to covenant that neither the Underlying Borrowers nor any of their respective affiliates participated in any such interaction or vote of the Noteholders.

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

The Issuer, the Note Trustee or the Cash Manager may propose an Extraordinary Resolution or an Ordinary Resolution, other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Security, of the Noteholders relating to any matter for consideration and approval by Negative Consent by the Noteholders.

"Negative Consent" means, in relation to an Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Security), an Ordinary Resolution of the Noteholders, the process whereby such Extraordinary Resolution or Ordinary Resolution shall be deemed to be duly passed and shall be binding on all of the Noteholders in accordance with its terms where:

- (A) notice of such Extraordinary Resolution or Ordinary Resolution, as applicable, (including the full text of the same) has been given by the Issuer, the Note Trustee or the Cash Manager to the Noteholders in accordance with the provisions of Condition 15 (*Notice to and Communication between Noteholders*);
- (B) such notice contains a statement requiring such Noteholders to inform the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) if they object to such Extraordinary Resolution or Ordinary Resolution, stating that unless holders of in the case of an Extraordinary Resolution, 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes; or (ii) in the case of an Ordinary Resolution, 50.1 per cent. or more in aggregate Principal Amount Outstanding of the Notes, make such objection, the Extraordinary Resolution or Ordinary Resolution will be deemed to be passed by the Noteholders and specifying the requirements for the making of such objections (including addresses, email addresses and deadlines) further as set out in the following paragraph; and
- (C) holders of (i) in the case of an Extraordinary Resolution, 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes or (ii) in the case of an Ordinary Resolution, 50.1 per cent. or more in aggregate Principal Amount Outstanding of the Notes, have not informed the Note Trustee in writing of their objection to such Extraordinary Resolution or Ordinary Resolution within 15 days of the date of the relevant notice.

Negative Consent shall not apply to any Underlying Loan Level Matters.

- (iv) The Note Trustee may agree or may direct the Issuer Security Trustee to agree, without the consent of the Noteholders (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, the Note Trust Deed (including these Conditions) or any of the other Issuer Transaction Documents which, in the opinion of the Note Trustee, is not materially prejudicial to the interests of the Noteholders; (ii) to any modification of the Notes, the Note Trust Deed (including these Conditions) or any of the other Issuer Transaction Documents (including determination that a Note Event of Default shall not be treated as such) which, in the opinion of the Note Trustee, is to correct a

manifest error or a proven (to the satisfaction of the Note Trustee) error or is to conform the Issuer Transaction Documents to be consistent with the disclosure in the Offering Circular relating to the issuance of the Notes (as certified to the Note Trustee by the Issuer and upon which the Note Trustee may rely absolutely) or to comply with mandatory provisions of law (as confirmed by a legal opinion provided to the Note Trustee upon which the Note Trustee may rely absolutely) or is (in the opinion of the Note Trustee) of a formal, minor or technical nature; provided always that the Note Trustee shall not exercise such powers of modification, waiver, authorisation or determination in contravention of any express written direction given by the Eligible Noteholders or by an Extraordinary Resolution of the Noteholders then outstanding (provided that no such direction or restriction shall affect any authorisation, modification, waiver or determination previously made or given). Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 15 (*Notice to and Communication between Noteholders*).

- (v) Notwithstanding Condition 12(iv) above, the Issuer is restricted from agreeing to any amendment or modification or entering into any agreement or arrangement with any party which would have the effect of (i) reducing or cancelling the amount of Stripped and Accrued Interest Payments due and payable to the Seller; (ii) modifying the method of calculating the Stripped and Accrued Interest Payments; (iii) postponing any date on which the payment of the Stripped and Accrued Interest Payments are to be made or (iv) adversely affecting the right of the Seller to receive payment of the Stripped and Accrued Interest Payments under the Loan Sale Agreement, in each case, without the Seller's prior written consent (in the Seller's absolute discretion).
- (vi) In addition, the Issuer shall not agree, without the written consent of the Retention Holder, any amendment or modification or enter into any agreement or arrangement with any party which would (i) modify the date of final repayment of the Loan advanced by the Retention Holder; (ii) modify any day for the payment of interest on the Loan advanced by the Retention Holder; (iii) reduce the amount of principal or the rate of interest payable in respect of such Loan; (iv) modify the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of such Loan; (v) alter the currency of repayment of the Loan; (vi) prejudice the Retention Holder's position with respect to its ranking in the Issuer Priority of Payments or (vii) change the economic substance of either Loan or the Notes by reference to each other.
- (vii) Where the Note 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 it shall have regard to the interests of such Noteholders as a class and, in particular, but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Note Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.
- (viii) The Note Trustee shall be entitled to determine, in its own opinion, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Notes, the Conditions or any of the Issuer Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders.

- (ix) The Note Trustee may (subject to such amendments of these Conditions and of any of the Issuer Transaction Documents, and to such other Conditions as the Note Trustee may require), without the consent of the Noteholders or any other Issuer Secured Creditor agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this condition) as the principal debtor in respect of the Notes and the Note Trust Deed of another body corporate (being a single purpose vehicle) provided that such substitution would not in the opinion of the Note Trustee be materially prejudicial to the interests of the Noteholders and subject to certain conditions set out in the Note Trust Deed being complied with (or suitable arrangements in place to ensure compliance with such conditions). In the case of substitution of the Issuer, the Irish Stock Exchange shall be notified by the Issuer of such substitution, a supplemental offering circular will be prepared by the new principal debtor and filed with the Irish Stock Exchange and notice of the substitution will be given to the Noteholders by the Issuer in accordance with Condition 15 (*Notice to and Communication between Noteholders*).
- (x) Where for the purposes of these Conditions the Note Trustee or any other party to the Issuer Transaction Documents requires a Noteholder holding Notes through Euroclear or Clearstream, Luxembourg to establish its holding of the Notes to the satisfaction of such party (including, without limitation, for the purposes of Condition 18 (*Noteholder Representative*)), such holding shall be considered to be established if such Noteholder provides to the requesting party:
- (A) a Euclid Statement or a screenshot of the Euclid screen (in the case of Euroclear) or a Creation Online Statement or a screenshot of the Creation screen (in the case of Clearstream, Luxembourg) providing confirmation at the time of issue of the same of such person's holding in the Notes;
 - (B) if the relevant Notes are held through one or more custodians, a signed letter from each such custodian confirming on whose behalf it is holding such Notes such that the Note Trustee is able to verify to its satisfaction the chain of ownership to the beneficial owner; and
 - (C) any other evidence of holding of such interest in the relevant Notes in a form acceptable to the Note Trustee.

If in connection with verifying its holding the Note Trustee requires a Noteholder to temporarily block its Notes in Euroclear or Clearstream, Luxembourg, such Noteholder will be required to instruct Euroclear or Clearstream, Luxembourg (via its custodian, if applicable) to do so.

- (xi) For the purposes of determining:
- (1) the quorum at any meeting of Noteholders considering an Extraordinary Resolution or an Ordinary Resolution or the majority of votes cast at such meeting;
 - (2) the holders of Notes for the purposes of giving any direction to the Note Trustee (or any other party);
 - (3) the majorities required for any written resolutions, including the majority required for passing a Written Ordinary Resolution for the purpose of appointing a Noteholder Representative;
 - (4) any discretion, power or authority (whether contained in any of the Issuer Transaction Documents or conferred on it by operation of law) which the

Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders;

- (5) the determination by the Note Trustee whether any event or potential event is or would be materially prejudicial to the interests of the Noteholders;
- (6) the objection by Noteholders for the purpose of Negative Consent; or
- (7) the determination of how many and which Notes are for the time being outstanding in accordance with the Note Trust Deed

any Notes held beneficially by or for the account of (whether directly or indirectly or in relation to which the exercise of the right to vote is directed or otherwise controlled by):

- (A) any member of the Group;
- (B) any Investor Affiliate; or
- (C) the Issuer or its Affiliates (if any),

in each case, shall have no voting rights or any right to pass an Extraordinary Resolution or an Ordinary Resolution and shall be treated as if such Notes were not outstanding and the holder of any of those Notes will not be entitled to attend or exercise or count in or towards any required quorum or majority with respect to such Notes for so long as those Notes are so held or remain uncanceled.

The Note Trust Deed contains provisions requiring any Noteholder wishing to vote to confirm to the Principal Paying Agent that such Noteholder is not disenfranchised from voting pursuant to this Condition 12(xi).

13. Indemnification and Exoneration of the Note Trustee and Issuer Security Trustee

The Note Trust Deed, the Issuer Security Documents and certain of the other Issuer Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of each of the Note Trustee and the Issuer Security Trustee and for indemnification in certain circumstances, including provisions relieving them from taking enforcement proceedings or, in the case of the Issuer Security Trustee, enforcing the Issuer Security unless indemnified and/or secured and/or pre-funded to its satisfaction. Neither the Note Trustee nor the Issuer Security Trustee will 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 thereto, being uninsured or inadequately insured or being held by or to the order of other parties to the Issuer 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 Note Trustee or the Issuer Security Trustee.

The Note Trust Deed and the Deed of Charge and Assignment contain provisions pursuant to which each of the Note Trustee and the Issuer Security Trustee or any of its related companies is entitled, among other things, (a) to enter into business transactions with the Issuer and or any other person who is a party to the Issuer 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 Issuer Transaction Documents or whose obligations are comprised in the Issuer Security and/or any of their subsidiaries or associated companies, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or

in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of the Noteholders or any other Issuer Secured Creditor, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Deed of Charge and Assignment provides that the Issuer Security Trustee shall accept without investigation, requisition or objection such right and title as the Issuer may have to the Issuer's property secured pursuant to the Issuer Security Documents and shall not be bound or concerned to examine such right and title, and the Issuer Security Trustee shall not be liable for any defect or failure in the right or title of the Issuer to the property secured pursuant to the Issuer Security Documents whether such defect or failure was known to the Issuer Security Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not. Neither the Note Trustee nor the Issuer Security Trustee has any responsibility in relation to the validity, sufficiency and enforceability of the Issuer Security. Neither the Note Trustee nor the Issuer Security Trustee will be obliged to take any action which might result in its incurring personal liabilities unless indemnified and/or secured and/or pre-funded to its satisfaction or to supervise the performance by the Cash Manager or any other person of their obligations under the Issuer Transaction Documents and each of the Note Trustee and the Issuer Security Trustee shall assume, until it has actual knowledge or express notice to the contrary, that all such persons are properly performing their duties, notwithstanding that the Issuer Security (or any part thereof) may, as a consequence, be treated as floating rather than fixed security.

14. Replacement of the Global Note and Definitive Notes

If the Global Note or Definitive Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent or the Registrar upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer, the Registrar, the Paying Agent or the Note Trustee may reasonably require. The mutilated or defaced Global Note or Definitive Notes must be surrendered before replacements will be issued.

15. Notice to and Communication between Noteholders

- (a) All notices, other than notices given in accordance with any one or more of the following paragraphs of this Condition 15, to Noteholders shall be deemed to have been validly given if:
 - (i) for so long as the Notes are represented by a Global Note and listed on a stock exchange and the rules of such stock exchange so allow:
 - (A) subject to the requirements of the Market Abuse Regulation, at the option of the Issuer, if delivered through the announcements section of the relevant stock exchange and a regulated information service maintained or recognised by such stock exchange; and
 - (B) if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to their Participants and for communication by such Participants to entitled account holders; and
 - (C) if delivered to the electronic communications systems maintained by Bloomberg L.P. for publication on the relevant page for the Notes or such other medium for the electronic display of data as may be previously approved in writing by the Note Trustee; or
 - (ii) for so long as the Notes are in definitive form and listed on a stock exchange and the rules of such stock exchange so allow, subject to the requirements of the Market

Abuse Regulation, at the option of the Issuer, if delivered through the announcements section of the relevant stock exchange and a regulated information service maintained or recognised by such stock exchange.

Any such notice shall be deemed to have been given on:

- (A) in the case of a notice delivered to the regulated information service of a stock exchange, the day on which it is delivered to such stock exchange;
 - (B) in the case of a notice delivered to Euroclear and/or Clearstream, Luxembourg, the day on which it is delivered to Euroclear and/or Clearstream, Luxembourg; and
 - (C) in the case of a notice delivered to Bloomberg L.P., the day on which it is delivered to Bloomberg L.P..
- (b) If it is impossible or impractical to give notice in accordance with paragraphs (A), (B) or (C) of Condition 15(a)(i) above then notice of the relevant matters shall be given in accordance with Condition 15(a)(ii) above.
- (c) The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require. The Note Trustee shall give notice to the Noteholders in accordance with this Condition 15 of any additions to, deletions from or alterations to such methods from time to time.
- (d) Any Verified Noteholder shall be entitled from time to time to request the Cash Manager to post a notice on its investor reporting website requesting other Verified Noteholders to contact it subject to and in accordance with the following provisions.

For these purposes "**Verified Noteholder**" means a Noteholder which has satisfied the Cash Manager that it is a Noteholder in accordance with Conditions 12(x) and 12(xi) (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*).

- (e) Following receipt of a request for the publication of a notice from a Verified Noteholder, the Cash Manager shall publish such notice on its investor reporting website as an addendum to any report to Noteholders due for publication within 2 Business Days of receipt of the same (or, if there is no such report, through a special notice for such purpose as soon as is reasonably practical after receipt of the same) provided that such notice contains no more than:
- (i) an invitation to other Noteholders to contact the Verified Noteholder;
 - (ii) the name of the Verified Noteholder and the address, phone number, website or email address at which the Verified Noteholder can be contacted; and
 - (iii) the date(s) from, on or between which the Verified Noteholder may be so contacted; and
 - (iv) a request that a Noteholder wishing to be in contact with the Verified Noteholder confirm its holding in accordance with Condition 12(x) (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*) and confirm that it has not been disenfranchised pursuant to Condition 12(xi) (*Meetings of*

Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties).

The Cash Manager shall have no responsibility or liability for the contents, completeness or accuracy of any such published information and shall have no responsibility (beyond publication of the same in the manner described above) for ensuring Noteholders receive the same.

16. **Privity of Contract**

The Notes do not confer any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term 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 Note Trust Deed, the Deed of Charge and Assignment, the Agency Agreement, the other Issuer Transaction Documents and the Notes are governed by English law.

18. **Noteholder Representative**

(a) **Appointment of the Noteholder Representative and general voting provisions in relation to Underlying Loan Level Matters**

The Noteholders may acting by Written Ordinary Resolution, elect by notice in writing to the Facility Agent, the Issuer Security Trustee, the Note Trustee and the Issuer with a copy to the Cash Manager (attaching a copy of the relevant Written Ordinary Resolution) (subject to each of the relevant Noteholders establishing its holding in such Notes to the satisfaction of the Note Trustee in accordance with the provisions of Condition 12 (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*)), appoint not more than one person to be the Noteholder Representative for the purposes of either directing:

- (i) the Note Trustee to on-direct the Issuer (prior to the delivery of a Note Acceleration Notice); or
- (ii) the Note Trustee itself (following the delivery of a Note Acceleration Notice),

in each case, to exercise the Issuer's voting rights under the Senior Facilities Agreement and the Finance Documents in respect of Underlying Loan Level Matters.

Subject to the restrictions set out below in Condition 18(c) below, the Noteholder Representative need not itself be a Noteholder.

The Noteholder Representative will be deemed to hold and to have voting rights in respect of 100 per cent. of the aggregate voting rights held and that are exercisable by the Issuer as a lender of record under the Senior Facilities Agreement and the other Finance Documents corresponding to the Issuer's participation in the Term Facility A Loan. A Noteholder Representative shall be entitled in its sole discretion to exercise all of the rights conferred on it under these Conditions to either direct:

- (i) the Note Trustee to on-direct the Issuer (prior to the delivery of a Note Acceleration Notice); or
- (ii) the Note Trustee itself (following the delivery of a Note Acceleration Notice),

in each case, to act in relation to any consent, waiver, amendment or other vote in relation to any Underlying Loan Level Matter to the extent exercisable by the Issuer under the Senior Facilities Agreement or any other Finance Document.

When directed to act in relation to an Underlying Loan Level Matter, the Issuer (prior to the delivery of a Note Acceleration Notice) or the Note Trustee (following the delivery of a Note Acceleration Notice) shall for any of those purposes independently exercise all of the voting rights conferred on the Issuer as a lender under the Senior Facilities Agreement and the Finance Documents in accordance with, in the case of the Note Trustee, the instructions received by it from the Noteholder Representative and, in the case of the Issuer, in accordance with the on-direction delivered to it from the Note Trustee.

Neither the Issuer Security Trustee nor the Note Trustee shall have any obligation to identify the Noteholders from time to time, to inform them of their rights as such or to assist them in the appointment of a Noteholder Representative.

The Noteholder Representative shall not have any liability to the Issuer, any Noteholder, the Note Trustee, the Issuer Security Trustee or any other party for any action taken or for refraining from taking any action in good faith or for any errors of judgment.

The appointment of the Noteholder Representative shall not take effect until each of the Issuer Security Trustee, the Note Trustee, the Facility Agent (with a copy to the Cash Manager) and the Issuer have been notified by the Noteholder Representative in writing of its appointment.

The Noteholders may acting by Written Ordinary Resolution, elect by notice in writing to the Issuer Security Trustee, the Note Trustee, the Facility Agent and the Issuer (with a copy to the Cash Manager) (attaching a copy of the relevant Written Ordinary Resolution) to terminate the appointment of the Noteholder Representative. The Noteholder Representative may retire by giving not less than 21 days' notice in writing to: (a) the Noteholders (in accordance with the terms of Condition 15 (*Notice to and Communication between Noteholders*)), the Issuer, the Note Trustee, the Issuer Security Trustee, the Facility Agent (with a copy to the Cash Manager).

If at any time the Noteholders fail to appoint a Noteholder Representative (or the Noteholder Representative resigns or whose appointment is terminated and is not subsequently replaced), the Noteholders will be deemed to have waived their rights under these Conditions, including any rights to authorise the Note Trustee to on-direct the Issuer or to direct the Note Trustee itself to vote with respect to any Underlying Loan Level Matters in accordance with these Conditions and the Issuer Transaction Documents. The Note Trustee shall not be required to (i) exercise any Underlying Loan Level Matters directly under the Senior Facilities Agreement or (ii) exercise any of the functions of a Noteholder Representative, in each case, in the absence of the appointment of a Noteholder Representative but only insofar as it relates to the Noteholder Representative that has not been appointed.

If the Noteholders do not appoint a Noteholder Representative to direct the Issuer (prior to the delivery of a Note Acceleration Notice) or the Note Trustee (following the delivery of a Note Acceleration Notice), this will result in an abstention by the Issuer or the Note Trustee, as the case may be, in relation to an Underlying Loan Level Matter.

Following the results of the vote with respect to any Underlying Loan Level Matters, the Noteholder Representative will, to the extent that it has been appointed, determine whether any amendment to these Conditions and/or the Issuer Transaction Documents is required and may request the Issuer to convene a meeting of the Noteholders in connection with such amendment.

The Noteholders shall only be entitled to receive Underlying Loan Level Information or any information or communication in relation to an Underlying Loan Level Matter in accordance with the provisions of these Conditions and the Issuer Transaction Documents. For the avoidance of doubt no Underlying Loan Level Information or information in relation to an Underlying Loan Level Matter shall be made available or notified to the Noteholders pursuant to the Condition 15 (*Notice to and Communication between Noteholders*), subject to compliance with any applicable law or regulation.

Where:

"Noteholder Representative" means the representative appointed by the Noteholders acting by a Written Ordinary Resolution.

"Underlying Loan Level Information" means, each of the following items of information:

- (i) a compliance certificate delivered by the Underlying Borrowers to the Facility Agent setting out the minimum interest coverage ratio, loan to value ratio and other financial ratio covenant compliance of the Term Facility A Loan calculated in accordance with the methodologies for determining compliance with the related covenants and provisions pursuant to the Senior Facilities Agreement together with an appendix setting out the calculations used by the Underlying Borrowers in establishing the figures referred to in such certificate;
- (ii) a quarterly information report in respect of the Properties and the business of the Underlying Borrowers; and
- (iii) to the extent deliverable by any of the Underlying Borrowers on or prior to a particular Underlying Loan Interest Payment Date, all other information provided by the Underlying Borrowers pursuant to the information covenants contained in the Senior Facilities Agreement.

"Underlying Loan Level Matters" means one or more of the following (and each a **"Underlying Loan Level Matter"**):

- (i) the exercise of any rights, powers and discretions of the Issuer in relation to the Underlying Loan and the Related Security that can only be exercised by a lender of record of the Underlying Loan or a beneficial owner of the Related Security; or
- (ii) any rights of consultation relating to the administration of the Underlying Loan (to the extent that the Issuer as lender of record has a corresponding consultation right under the Senior Facilities Agreement or the Finance Documents).

"Written Ordinary Resolution" means a resolution in writing by holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the Notes.

- (b) **Note Trustee bound to act in accordance with a direction given by the Noteholder Representative**

At any time after the delivery of a Note Acceleration Notice, the Note Trustee shall be bound to vote in relation to Underlying Loan Level Matters if directed by the Noteholder Representative provided always that no direction shall be effective if it relates to a matter in respect of a Basic Terms Modification which modifications shall only be made at all times in accordance with Condition 12(iii) (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*), subject always to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction.

The Note Trustee shall assume that any Noteholder Representative has not ceased to be Noteholder Representative unless and until notified in writing in the contrary and the Note Trustee shall have no liability to the Noteholders, Issuer or any other person for acting on the instructions of the Noteholder Representative.

(c) Disenfranchisement of Restricted Lenders

The right of a Noteholder to appoint, acting alone or with one or more Noteholders, a Noteholder Representative for the purpose of directing the Note Trustee to either on-direct the Issuer to exercise or to exercise directly, as the case may be, the Issuer's votes under the Finance Documents in respect of Underlying Loan Level Matters pursuant to these Conditions shall not extend to or be exercisable by:

- (i) any member of the Group; or
- (ii) any Investor Affiliate.

The Noteholder Representative must not at any time be a member of the Group or an Investor Affiliate.

19. Limited Recourse and Non-Petition

Notwithstanding any other provision of these Conditions or the Note Trust Deed, any other Issuer Transaction Document or otherwise, the obligations of the Issuer to make any payment under the Notes will be equal to the nominal amount of such payment or, if less, the actual amount received or recovered from time to time by or on behalf of the Issuer which consists of funds which are required to be applied by the Issuer in making such payment in accordance with the Pre-Enforcement Priority of Payments or Post-Enforcement Priority of Payments, as applicable, upon enforcement of the Issuer Security constituted by the Deed of Charge and Assignment. The obligations of the Issuer under these Conditions and Note Trust Deed in respect of the Notes will be limited to such amounts from time to time and none of the Noteholders, Note Trustee or the Issuer Security Trustee will have any further recourse to the Issuer in respect of such obligations.

On enforcement of the Issuer Security and distribution of its proceeds in accordance with the Deed of Charge and Assignment, none of the Noteholders, the Note Trustee or the Issuer Security Trustee may take any further steps against the Issuer in respect of any amounts payable on the Notes or any other amounts and all claims against the Issuer in respect of those payments shall be extinguished and discharged.

None of the Note Trustee, the Issuer Security Trustee, the Noteholders or the other parties to the Issuer Transaction Documents will be entitled to petition or take any action or other steps or legal proceedings for the winding-up, dissolution, court protection, examinership, reorganisation, liquidation, bankruptcy or insolvency of the Issuer or for the appointment of an administrator, manager, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer in respect of the Issuer or any of its revenues or assets provided that the Note Trustee or the Issuer Security Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and provided further that the Note Trustee or the Issuer Security Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under the Deed of Charge and Assignment.

None of the Noteholders or any of the other parties to the Issuer Transaction Documents will have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Notes, the Deed of Charge and Assignment, or any other Issuer Transaction Document to

which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

Nothing in this Condition shall affect a payment under the Notes from falling due for the purposes of Condition 10 (*Note Events of Default*).

The provisions of this Condition 19 shall survive the redemption in full of the Notes.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be approximately £110,544,000 and this sum will be applied by the Issuer to pay the Initial Purchase Price to the Seller for the purchase of the Underlying Loan and the interest in the Related Security on the Closing Date pursuant to the Loan Sale Agreement.

FEES AND EXPENSES

Fees and expenses relating to the application for admission of the Notes to trading on the regulated market of the Irish Stock Exchange are expected to be approximately €7,000.

UNITED KINGDOM TAXATION

The following is a summary of the Issuer's understanding of current United Kingdom law and published HMRC practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes.. This section does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

This section assumes that there will be no substitution of the Issuer and does not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the Conditions of the Notes).

Interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Irish Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source at the basic rate (currently 20 per cent.) subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to that Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **"foreign financial institution"** (as defined by FATCA) may be required to withhold on certain payments it makes (**"foreign passthru payments"**) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**"IGAs"**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the following information in respect of the Underlying Borrowers (and their respective general partners) which has been previously published or are published simultaneously with this Offering Circular and which shall be deemed to be incorporated in, and form part of, this Offering Circular:

The CG Borrower

Audited financial statements as at 31 December 2014

- (1) CG Cutlers Gardens Limited Partnership Consolidated Financial Statements together with Auditor's Report for the year ended 31 December 2014:

[http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20LP%20-%2031%20Dec%202014\(23263967_1\)_c4dac044-ed3a-46d8-ba46-99d1bfdbf70b.PDF](http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20LP%20-%2031%20Dec%202014(23263967_1)_c4dac044-ed3a-46d8-ba46-99d1bfdbf70b.PDF)

- (2) CG Cutlers Gardens (UK) No. 1 Limited Report and Financial Statements for the year ended 31 December 2014:

[http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20\(UK\)%20No.1%20Limited%20-%2031Dec%202014\(23263938_1\)_d6cb6162-49ef-440e-bbad-60db4e79a824.PDF](http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20(UK)%20No.1%20Limited%20-%2031Dec%202014(23263938_1)_d6cb6162-49ef-440e-bbad-60db4e79a824.PDF)

- (3) CG Cutlers Gardens (UK) No. 2 Limited Report and Financial Statements for the year ended 31 December 2014:

[http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20No.%202%20FS%2031.12.2014\(23167598_1\)_1fad4c56-f5de-49b7-bc89-4a593297863b.PDF](http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20No.%202%20FS%2031.12.2014(23167598_1)_1fad4c56-f5de-49b7-bc89-4a593297863b.PDF)

Audited financial statements as at 31 December 2015

- (1) CG Cutlers Gardens Limited Partnership Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2015:

[http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20LP%20-%2031%20Dec%202015\(23263913_1\)_2dfaa99b-298b-40eb-b618-3f67435253f7.PDF](http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20LP%20-%2031%20Dec%202015(23263913_1)_2dfaa99b-298b-40eb-b618-3f67435253f7.PDF)

- (2) CG Cutlers Gardens (UK) No. 2 Limited Report and Financial Statements for the year ended 31 December 2015:

[http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20\(UK\)%20No.2%20Limited%20-%2031%20Dec%202015\(23266529_1\)_a6dd1730-ceed-47f0-8bc5-5a1db3e48480.PDF](http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20(UK)%20No.2%20Limited%20-%2031%20Dec%202015(23266529_1)_a6dd1730-ceed-47f0-8bc5-5a1db3e48480.PDF)

- (3) CG Cutlers Gardens (UK) No. 1 Limited Annual Report and Audited Financial Statements for the year ended 31 December 2015:

[http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20\(UK\)%20No.1%20Limited%20-%2031%20Dec%202015\(23263886_1\)_cb1f0d7f-ce2c-488c-b3e4-c0dd7491ae5d.PDF](http://www.ise.ie/debt_documents/CG%20Cutlers%20Gardens%20(UK)%20No.1%20Limited%20-%2031%20Dec%202015(23263886_1)_cb1f0d7f-ce2c-488c-b3e4-c0dd7491ae5d.PDF)

The SH Borrower

Audited financial statements as at 31 December 2014

- (1) CG Shield House Limited Partnership Financial Statements together with Auditor's Report for the year ended 31 December 2014:

[http://www.ise.ie/debt_documents/CG%20Shield%20House%20LP%20-%2031%20Dec%202014\(23263865_1\)_317cfbc9-e0c3-4f21-be1b-f8167d39bf1d.PDF](http://www.ise.ie/debt_documents/CG%20Shield%20House%20LP%20-%2031%20Dec%202014(23263865_1)_317cfbc9-e0c3-4f21-be1b-f8167d39bf1d.PDF)

- (2) CG Shield House (UK) No.1 Limited Annual Report and Audited Financial Statements for the year ended 31 December 2014:

[http://www.ise.ie/debt_documents/CG%20Shield%20House%20\(UK\)%20No.1%20Limited%20-%2031%20Dec%202014\(23263834_1\)_89145080-943d-43ff-8f28-753c1d26662c.PDF](http://www.ise.ie/debt_documents/CG%20Shield%20House%20(UK)%20No.1%20Limited%20-%2031%20Dec%202014(23263834_1)_89145080-943d-43ff-8f28-753c1d26662c.PDF)

- (3) CG Shield House (UK) No. 2 Limited Report and Financial Statements for the year ended 31 December 2014:

[http://www.ise.ie/debt_documents/CG%20Shield%20House%20No.%202%20Audited%20FS%2031.12.2014\(23167640_1\)_b7fc7baa-9d0b-465a-b6e9-1a861f6d8607.PDF](http://www.ise.ie/debt_documents/CG%20Shield%20House%20No.%202%20Audited%20FS%2031.12.2014(23167640_1)_b7fc7baa-9d0b-465a-b6e9-1a861f6d8607.PDF)

Audited financial statements as at 31 December 2015

- (1) CG Shield House Limited Partnership Annual Report and Audited Financial Statements for the year ended 31 December 2015:

[http://www.ise.ie/debt_documents/CG%20Shield%20House%20LP%20-%2031%20Dec%202015\(23263815_1\)_4938b693-c738-428e-a3f9-9959572fb1c8.PDF](http://www.ise.ie/debt_documents/CG%20Shield%20House%20LP%20-%2031%20Dec%202015(23263815_1)_4938b693-c738-428e-a3f9-9959572fb1c8.PDF)

- (2) CG Shield House (UK) No. 1 Limited Annual Report and Audited Financial Statements for the year ended 31 December 2015:

[http://www.ise.ie/debt_documents/CG%20Shield%20House%20\(UK\)%20No.1%20Limited%20-31%20Dec%202015\(23263800_1\)_f90d66a7-21c8-436c-9338-bc6febb1e426.PDF](http://www.ise.ie/debt_documents/CG%20Shield%20House%20(UK)%20No.1%20Limited%20-31%20Dec%202015(23263800_1)_f90d66a7-21c8-436c-9338-bc6febb1e426.PDF)

- (3) CG Shield House (UK) No. 2 Limited Report and Financial Statements for the year ended 31 December 2015:

[http://www.ise.ie/debt_documents/CG%20Shield%20House%20\(UK\)%20No.2%20Limited%20-%2031%20Dec%202015\(23266453_1\)_67837df5-8908-4585-8349-3f82afd2e479.PDF](http://www.ise.ie/debt_documents/CG%20Shield%20House%20(UK)%20No.2%20Limited%20-%2031%20Dec%202015(23266453_1)_67837df5-8908-4585-8349-3f82afd2e479.PDF)

Any documents or information themselves incorporated by reference in, or cross-referred to in, the information incorporated by reference in this Offering Circular shall not form part of this Offering Circular unless also separately incorporated by reference above. In each case, where only certain sections of a document referred to above are incorporated by reference in this Offering Circular, the parts of the document which are not incorporated by reference are either not relevant to prospective investors in the Notes or are covered elsewhere in this Offering Circular.

SUBSCRIPTION AND SALE

Morgan Stanley & Co. International plc (the "**Lead Manager**") has agreed, pursuant to a subscription agreement dated on or about the Closing Date (the "**Subscription Agreement**"), between the Lead Manager and the Issuer, subject to certain conditions, to subscribe and pay for agreed amounts of the Notes at 100 per cent. of their principal amount.

The Issuer has agreed to reimburse the Lead Manager for certain of its expenses in connection with the issue of the Notes. The Subscription Agreement is subject to a number of conditions and may be terminated by the Lead Manager in certain circumstances prior to payment to the Issuer. The Issuer has agreed to indemnify the Lead Manager against certain liabilities in connection with the offer and sale of the Notes.

Retail Investor Restriction

The Lead Manager has represented and agreed that it has not made the Notes available, or sold the Notes, to a retail investor and that it will not make the Notes available, or sell the Notes, to a retail investor. For these purposes, a retail investor means (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of Directive 2014/65/EU.

United States of America

The Lead Manager has acknowledged 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 or not subject to the registration requirements of the Securities Act. Accordingly, the Lead Manager has agreed that it will only offer, sell or deliver the Notes outside the United States in offshore transactions in reliance on Regulation S.

In connection with sales outside the United States, the Lead Manager has agreed under the Subscription Agreement that it will not offer, sell or deliver the Notes to, or for the account or benefit of U.S. persons (a) as part of the Lead Manager's distribution at any time or (b) otherwise prior to the date that is 40 days after the later of the commencement of the offering and the closing date for the offering of the Notes (the "**Distribution Compliance Period**") and that neither it, its affiliates nor any person acting on their behalf has engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Notes and that it and its affiliates and any person acting on its or their behalf has complied with and will comply with the offering restriction requirements of Regulation S under the Securities Act to the extent applicable.

The Lead Manager under the Subscription Agreement has also agreed that, at or prior to confirmation of sales of any Notes, it will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration to which it sells any Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, until the end of the Distribution Compliance Period, the offer or sale of any Notes within the United States by a distributor, dealer or other person that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

The Lead Manager has represented and agreed that except as permitted by the Subscription Agreement:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

European Economic Area ("**EEA**")

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes will require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression of an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Ireland

Subscription and Sale: Ireland

The Lead Manager has further represented and agreed that:

- (a) it has not offered, sold or placed and will not offer, underwrite, sell or place any Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005, as amended, of Ireland and the provisions of the Irish Companies Acts, including any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland by the Central Bank of Ireland;

- (b) it has not and will not offer, sell, underwrite or place any Notes other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005, as amended, of Ireland and any rules issued under Section 34 of the Investments Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland by the Central Bank of Ireland;
- (c) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) and they will conduct themselves in accordance with any codes and rules of conduct and any conditions and requirements and any other enactment imposed or approved by the Central Bank (as defined in the Master Definitions and Construction Schedule) with respect to anything done by them in respect of the Notes, and the provisions of the Investor Compensation Act 1998 (as amended) of Ireland;
- (d) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Central Bank Acts 1942-2014), and any codes of conduct rules made under Section 117(1) thereof;
- (e) to the extent applicable it has complied with and will comply with all applicable provisions of the Irish Companies Acts 1963-2013; and
- (f) in connection with offers or sales of Notes, it has only issued or passed on, and will only issue or pass on, any document received by it in connection with the issue of the Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on,

as each of the foregoing may be amended, restated, varied, supplemented and/or otherwise replaced from time to time.

General

Other than the approval by the Central Bank of Ireland of this Offering Circular as a prospectus in accordance with the requirements of the Prospectus Directive and implementing measures in Ireland, application having been made for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market and the filing of this Offering Circular as a prospectus with the Companies Registration Office in Ireland, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Offering Circular does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Lead Manager has undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

GENERAL INFORMATION

1. The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on 27 March 2017.
2. It is expected that admission of the Notes to the Official List of the Irish Stock Exchange and to trading on its regulated market will be granted on or about the Closing Date, subject only to the issue of the Global Note. The listing of the Notes will not occur if the Global Note is not issued. Transactions will normally be effected for Sterling in Sterling and for delivery on the third working day after the day of the transaction.
3. The Global Note have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

Common Code	ISIN
157809946	XS1578099464

4. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. For so long as the Notes are admitted on the Official List of the Irish Stock Exchange and to trading on its regulated market, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified office of the Paying Agent. 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 or profitability.
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. As far as the Issuer is aware and is able to ascertain from publicly available information, there has been no material adverse change in the prospects of the Underlying Borrowers since 31 December 2015 and there has been no significant change in the financial or trading position of the Underlying Borrowers since 31 December 2015.
8. Copies of the following documents may be inspected by Noteholders in physical form during usual business hours on any week day (excluding Saturdays, Sundays, and public holidays) and upon request by Noteholders at the specified offices of the Principal Paying Agent and at the registered office of the Issuer for the life of this Offering Circular:
 - (a) the memorandum and articles of association of the Issuer;
 - (b) the constitutional documents of each of the Underlying Borrowers;
 - (c) the following documents and any amendments thereto from time to time (together, the "**Issuer Transaction Documents**"):
 - (i) the Note Trust Deed;
 - (ii) the Loan Sale Agreement;
 - (iii) the Credit Agreement;

- (iv) the Deed of Charge and Assignment;
 - (v) the Cash Management Agreement;
 - (vi) the Issuer Corporate Services Agreement;
 - (vii) the Agency Agreement; and
 - (viii) the Master Definitions and Construction Schedule;
- (d) the English Limited Partnership Agreements;
 - (e) Audited financial statements as at 31 December 2014 and 31 December 2015 for each of the Underlying Borrowers and their respective general partners;
 - (f) the Initial Appraisal; and
 - (g) the Senior Facilities Agreement and the Transaction Security Documents (and any amendments thereto from time to time),

save that any such document will, only be available for inspection during the abovementioned hours at the specified offices of the Principal Paying Agent and at the registered office of the Issuer and in no circumstances will copies of the same be available physically, electronically or through any website.

For the purposes of this paragraph 7, only those Noteholders which have satisfied the Principal Paying Agent in accordance with Conditions 12(x) and 12(xi) (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*) that they are a Noteholder will be entitled to inspect copies of the documents referred to above.

9. PricewaterhouseCoopers LLP have been appointed as auditors to the Issuer. PricewaterhouseCoopers are a member of the Institute of Chartered Accountants in England and Wales, and their address is PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT.
10. The Note Trust Deed and the Deed of Charge and Assignment will provide that the Note Trustee and the Issuer Security Trustee may rely on reports or other information from professional advisers or other experts (whether addressed to or obtained by the Issuer, the Note Trustee, the Issuer Security Trustee or any other person) in accordance with the provisions of the Note Trust Deed and the Deed of Charge and Assignment respectively, whether or not such report or other information or engagement letter or other document entered into by the Note Trustee or the Issuer Security Trustee (as the case may be) and the relevant person in connection thereto, contains any monetary or other unit as the liability of the relevant professional adviser or expert.
11. Except as is outlined in the sections of this Offering Circular entitled "*CASH MANAGEMENT*", the Issuer does not intend to provide any post-issuance information in relation to the Notes.
12. No website referred to in this Offering Circular forms part of this Offering Circular for the purposes of the listing of the Notes on the Irish Stock Exchange or for the purposes of the approval of this Offering Circular as a Prospectus.
13. Savills, the Valuer who carried out the Initial Appraisal, is a member of the RICS. Its business address is 33 Margaret Street, London W1G 0JD.

14. Arthur Cox Listing Services Limited is acting solely in its capacity as Listing Agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

APPENDIX 1
INITIAL APPRAISAL

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18 January 2017

LoanSec/MorganStanley/DevSq/Dec 2016/FINAL Devonshire Sq Val Cert Edited.docx



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Dear Sirs

**RHINO 1 S.À.R.L AND RHINO 2 S.À.R.L. – DEVONSHIRE SQUARE ESTATE, LONDON EC2M 4YE
VALUATION AS AT 1 MAY 2016**

1. INSTRUCTIONS

In accordance with instructions received from Morgan Stanley Bank, N.A. dated 18 April 2016, we have undertaken a valuation of the property described in Schedule A (the "Property"). We understand that this Valuation Report is required for inclusion in an Offering Circular (the "OC") to be published by Morgan Stanley & Co. International plc ("MS") in the OC in connection with a capital raising exercise via a Listing on the Irish Stock Exchange ("ISE").

This Valuation Report (the "Initial Appraisal") has been prepared in accordance with the Royal Institution of Chartered Surveyors (the "RICS") Valuation – Professional Standards January 2014 (the "RICS Red Book") published in November 2013 and effective from January 2014 and revised in April 2015. The valuation is a Regulated Purpose Valuation as defined in the Red Book. This Valuation Report has also been prepared in accordance with and on the basis of the Global Exchange Market Listing and Admission to Trading Rules for Debt Securities (Release 3) published July 2016.

We confirm that we consent in principle to this OC Report being presented to investors in a prospectus (a **Prospectus**) and/or any ongoing investor materials including, but not limited to, any analyst presentation, press announcement or investor presentation (together, the **Investor Materials**) to be published in accordance with the relevant laws and regulations applicable in respect of securities admitted to trading on a regulated market (including the rules of the ISE) in connection with, among other things, a proposed issuance by Deer Funding UK plc of debt instruments ("**Notes**") to be admitted to trading on the Main Securities Market of the ISE (the **Transaction**), provided that:

- a. the Report or any summary shall not be published until such time as we have first approved the form and context in which the Report appears (such approval not to be unreasonably withheld or delayed);
- b. the Prospectus or Investor Materials, as the case may be, shall make clear that with the exception of this Report, Savills does not accept any responsibility for any part of the Prospectus or any other information issued by MS or any other party to noteholders or prospective noteholders in connection with the Transaction.

- c. such Report or summary complies in all respects with the requirements of the Red Book and any applicable regulations or directives;
- d. if any part of our Report becomes misleading or inaccurate between the date of issue of the Report and the date of the Prospectus or the date of issue of any Investor Materials we reserve the right to revisit and update our Report prior to it being published.

This Report is addressed to and capable of being relied upon by:

- (a) Morgan Stanley & Co. International plc;
- (b) Hatfield Philips Agency Services Limited, as Facility Agent of the Lenders and Security Agent under (and as such terms are defined in) the Facility Agreement;
- (c) U.S. Bank Trustees Limited, as the note trustee and issuer security trustee in relation to the proposed securitisation of the Loan and issue of the Notes; and
- (d) Deer Funding UK plc (the "Issuer")

(together, the **Addressees**) provided that, in relying on this Report, each of the Addressee's acknowledges and agrees that:

- (a) the valuation provided in this Report refers to the position at 1 May 2016 and we have not taken nor are we obliged to take any action to review or update this Report since that date;
- (b) our aggregate liability to any one or more or all of the Addressees in respect of this Report shall be limited to the lower of 33% of the Value of the Property stated in our Report and £100M; and
- (c) this Report is subject to the terms and conditions set out in our letter of engagement with Morgan Stanley & Co. International plc dated 19 April 2016

Savills Advisory Services Limited ("Savills") accepts responsibility for the Initial Appraisal only. To the best of Savills' knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the Initial Appraisal is in accordance with the facts and does not omit anything likely to affect the accuracy of such information as at the date of the valuation. With the exception of the Initial Appraisal set out in this document, Savills does not accept any responsibility or liability for any other part of this Offering Circular or for any other information provided by the Issuer or any other party in relation to the issue of the Notes.

2. DATE OF VALUATION

Our opinion of Market Value is at 1 May 2016. We have assumed that there have not been any material changes in circumstances between the date of the valuation and the date of this valuation report that would affect the valuation and we are not aware, as a result of our role as External Valuer of the Property, of any matter which is not disclosed in the Document or which has not been disclosed to **Morgan Stanley** in writing and which is required to be brought to their attention.

Please note that this report refers to the position as at 19 April 2016.

3. TERMS OF REFERENCE

The Property comprises 12 interconnecting buildings held for investment purposes and located in the City of London. The buildings are principally held on a freehold basis and are principally offices with retail, leisure and residential elements. The majority comprise good quality institutional investment stock let, for the most part, on standard institutional full repairing and insuring lease terms.

The property is identified and described briefly on the attached schedule.

4. SOURCES OF INFORMATION

In undertaking our valuation we have been provided with, and have relied upon, information supplied to us by Rhino 1 S.À.R.L and Rhino 2 S.À.R.L. and their advisors. We have assumed that this information is full and correct. To the extent that you have provided us with information and / or instructed us to obtain it from a third party you agree, unless it is otherwise agreed by us in writing, that we can safely rely upon the accuracy, completeness and consistency of this information without further verification and that you will not hold us responsible in the event that any dispute regarding the Valuation arises from the accuracy of such information. It follows that if it is found to contain errors then our opinions of value may change.

Legal Documentation: We have relied on title documentation and leases together with a tenancy schedule provided by your legal property advisors, Allen & Overy LLP. We understand that all the buildings have good and marketable title which is free from any onerous or restrictive conditions. We have not undertaken credit enquiries into the financial status of the tenants and have assumed that they are capable of meeting all of their obligations under the terms of their leases.

Inspections: We carried out inspections of the majority of the buildings on 19 April 2016, but were limited to sample floors and those areas which were easily accessible or visible. We were unable to access areas/buildings which were subject to construction and/or refurbishment works. As agreed, we have assumed that there have been no material changes to any of the buildings that could have a material effect on the value of the Borrower's interest since our inspection.

Floor Areas: We have relied upon floor areas for the Property provided, and certified, by CSL Surveys (Stevenage) Ltd, which we understand were calculated in accordance with the current RICS Code of Measuring Practice (6th Edition) and upon which we have relied.

Building Surveys: We have been provided with, and have relied upon, building surveys on each of the buildings produced by Waterman Structures Limited on behalf of CG Cutlers Gardens LP.

Energy Performance Certificates: EPC ratings have been assessed for each property albeit these were prepared by various individuals on various dates.

Environmental Surveys: We have been provided with, and have relied upon, Phase 1 Property Due Diligence Report prepared by Waterman Infrastructure & Environment Limited.

Planning: We have relied on information on relevant planning consents provided to us. In situations where there is no record, we have assumed all construction was carried out in accordance with a valid planning permission and there are no outstanding planning issues relating to any of the buildings.

5. STATUS OF VALUER

This valuation has been prepared by a number of surveyors under the supervision of Ian Malden MRICS. We confirm that they are all RICS Registered Valuers and have the knowledge, skills and understanding to undertake this valuation competently and we are acting in the capacity of External Valuer.

We are required by the Red Book (UKPS5.4) to disclose the following:

- Savills (UK) Limited valued the property on a number of occasions previously, and in particular for Goldman Sachs when the Borrower acquired the asset in May 2012 for £337.5M on an SPV zero Stamp basis. We also provided an update valuation of the property in July 2014 for Capita as Loan Servicers to Goldman. We had also valued the property prior to this for loan purposes for Morgan Stanley lending to the previous owners Rockpoint when they acquired the site in 2006 to include update valuations.
- We have a wider corporate relationship with Blackstone to include providing sale and acquisition services, letting and rent review advice.

In the 12 month period preceding the date of this Report, the total fees payable by Morgan Stanley & Co International plc were less than 5% of the total combined fee income of Savills (UK) Limited and Savills Advisory Services Limited. We do not consider any of the above constitutes a conflict of interest or in any way conflicts with our responsibility to provide an independent and objective opinion of value.

6. VALUATION

6.1 Basis of Valuation

Our valuation has been prepared on the basis of Market Value in accordance with the latest edition of the RICS Valuation – Professional Standards (“RICS Red Book”), and which is defined in VPS4 1.2 of the RICS Red Book as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Our valuation has been arrived at predominantly by reference to market evidence for comparable property.

We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of a Property, nor have we allowed for any adjustment to any of the Property’s income streams to take into account any tax liabilities that may arise. We have excluded from our valuation any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupiers. Our valuation is exclusive of VAT (if applicable).

No allowance has been made for rights, obligations or liabilities arising in relation to fixed plant and machinery and it has been assumed that all fixed plant and machinery and the installation thereof complied with the relevant EEC legislation.

6.2 Market Value

We are of the opinion that the Market Value of the Property, as at 1 May 2016, is:

Property held for investment:

Freehold / part long leasehold	£480,000,000
--------------------------------	--------------

TOTAL	£480,000,000
--------------	---------------------

FOUR HUNDRED AND EIGHTY MILLION POUNDS

The total valuation figure reported is the aggregate total of the individual buildings and not necessarily a figure that could be achieved if the buildings were to be sold individually. Each valuation reflects the costs of acquisition but not realisation.

The largest building by value is 8 Devonshire Square, which represents 19.79% of the total.

7. CONFIDENTIALITY

The contents of this Report and Valuation may be used for the specific purpose to which they refer.

Neither the whole nor any part of this Report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

Yours faithfully



Ian Malden MRICS
RICS Registered Valuer



Charlotte Aschan MRICS
RICS Registered Valuer

For an on behalf of Savills Advisory Services Limited

SCHEDULE A: FREEHOLD/HERITABLE PROPERTY IN THE UK HELD FOR INVESTMENT

Address	Description	Approx Age	Tenancies	Date of Inspection	Market Value 1 May 2016
Devonshire Square Estate, London EC2M 4YE	<p>The estate forms a substantial property of 12 interconnecting buildings providing an aggregate net lettable floor area of circa 670,000 sq ft (62,243 sq m) of mainly offices and a comparatively small element of retail / restaurant provision.</p> <p>The majority of the buildings are arranged around two attractive principal courtyards, the western courtyard has a lightweight glazed roof structure which enables the courtyard to be used for restaurant seating.</p>	<p>The site is the former East India Company's Bengal warehouse which dates to the mid-18th Century.</p> <p>The buildings generally date from 1982 to 1991, together with Building 4 which at the time of our valuation was undergoing a comprehensive redevelopment to provide a private members club.</p> <p>Various buildings have Grade II listed status..</p>	The estate is currently let to 41 tenants on around 50 leases including one licence in respect of a roof top telephone aerial / mast and circa 16 licence is respect of car parking spaces. The aggregate gross rent at the time of our valuation was £19,530,849 per annum. There is a vacancy rate of 26.69%.	19 April 2016	£480,000,000
				Sub Total	£480,000,000

Grand Total £480,000,000

IMPORTANT NOTICE

Savills Advisory Services Limited ("**Savills**") accepts responsibility for the Initial Appraisal only. To the best of Savills' knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the Initial Appraisal is in accordance with the facts and does not omit anything likely to affect the accuracy of such information as at the date of the valuation. With the exception of the Initial Appraisal set out in this document, Savills does not accept any responsibility or liability for any other part of this Offering Circular or for any other information provided by the Issuer or any other party in relation to the issue of the Notes.

INITIAL APPRAISAL DISCLAIMER

The valuation in the Initial Appraisal has been used for the purposes of this transaction and throughout this Offering Circular. Please see Appendix 1 (*Initial Appraisal*) for the Initial Appraisal.

Savills does not have any material interest in the Issuer.

Savills (a) has given and has not withdrawn its written consent both to the inclusion in this Offering Circular of the Initial Appraisal and to references to the Initial Appraisal in the form and context in which they appear, and (b) has authorised and accepts responsibility for the Initial Appraisal. With the exception of the Initial Appraisal, Savills does not accept any liability in relation to the information contained in the Offering Circular or any other information provided by the Issuer or any other party in connection with the issue of the Notes.

Prospective Noteholders should be aware that the valuation of the Property set out in the Initial Appraisal is as at 1 May 2016 and was carried out prior to the date of this Offering Circular. Savills has not been requested to update or revise the valuation of any of the Property for the purposes of the Initial Appraisal, nor will it be asked to do so prior to the issue of the Notes and nor is it under any duty to do so. Accordingly, the information included in the Initial Appraisal may not reflect the current physical, economic, competitive, market or other conditions with respect to the Property. None of the Borrowers, the Arranger and the Lead Manager, the Originator, the Seller, the Cash Manager, the Note Trustee, the Issuer Security Trustee, the Security Trustee, the Facility Agent, the Issuer Corporate Services Provider, the Principal Paying Agent, the Agent Bank, the Account Bank, the Registrar or any other Issuer Related Party or any other party referred to in this Offering Circular are responsible for the information contained in the Initial Appraisal.

The information contained in the Initial Appraisal must be considered together with all of the information contained elsewhere in this Offering Circular, including, without limitation, the statements made in the section entitled "*Suitability As Loan Security*". All of the information contained in the Initial Appraisal is subject to the same limitations, qualifications and restrictions contained in the other portions of this Offering Circular. Prospective Noteholders are strongly urged to read this Offering Circular in its entirety prior to accessing the Initial Appraisal.

The Originator and the Facility Agent engaged Savills (a member of the Royal Institution of Chartered Surveyors ("**RICS**")) to produce an appraisal of the Property dated 9 May 2016 with an effective valuation date of 1 May 2016 in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards 2014 Global & UK edition including the International Valuation Standards. A copy of such appraisal of the Property is set out in Appendix 1 (*Initial Appraisal*) of this Offering Circular (the "**Initial Appraisal**")

**APPENDIX 2
THE PROPERTIES**

	Property	Registered Proprietors	Beneficial Owner	Title Number	Freehold/ Leasehold	Allocated Loan Amount
1.	Floors 1 to 3 of 3 & 3A Devonshire Square	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of title number NGL258077	Freehold	£2,216,590.77
2.	3 & 3A Devonshire Square (other than Floors 1 to 3)	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of title number NGL258077	Freehold	£684,535.38
3.	4 Devonshire Square	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of title number NGL258077	Freehold	£24,176,051.25
4.	5 Devonshire Square	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of title number NGL258077	Freehold	
5.	6 Devonshire Square	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of freehold title number NGL258077	Freehold	£36,554,189.48
6.	7 Devonshire Square	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of title number NGL258077	Freehold	£35,973,964.26
				EGL553247	Leasehold	

	Property	Registered Proprietors	Beneficial Owner	Title Number	Freehold/ Leasehold	Allocated Loan Amount
7.	8 Devonshire Square	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of title number <u>NGL258077</u> EGL553247	Freehold Leasehold	£61,245,996.49
8.	9 Devonshire Square	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of title number <u>NGL258077</u> Forming part of title numbers EGL538044 and EGL546831	Freehold Leasehold	£51,575,575.98
9.	9A Devonshire Square	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of title number <u>NGL258077</u> Forming part of title numbers EGL538044, EGL546831 and AGL232230	Freehold Leasehold	£15,472,672.80
10.	The Bengal Wing	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of title number <u>NGL258077</u> Forming part of title numbers EGL538044 and EGL546831	Freehold Leasehold	£4,093,811.34
11.	10 Devonshire Square	CG Cutlers Gardens (Jersey) Limited and CG	CG Cutlers Gardens Limited	Forming part of title number <u>NGL258077</u>	Freehold	£36,941,006.31

Property		Registered Proprietors	Beneficial Owner	Title Number	Freehold/ Leasehold	Allocated Loan Amount
		Cutlers Gardens (Jersey) 2 Limited	Partnership	Forming part of title numbers EGL538044, EGL546831 and AGL353509	Leasehold	
12.	11 Devonshire Square	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	Forming part of title number NGL258077	Freehold	£15,859,489.61
				EGL538044	Leasehold	
13.	Shield House	CG Shield House (Jersey) Limited and CG Shield House (Jersey) 2 Limited	CG Shield LP	Forming part of title number NGL796124	Freehold	£3,868,168.20
14.	East India House	CG Cutlers Gardens (Jersey) Limited and CG Cutlers Gardens (Jersey) 2 Limited	CG Cutlers Gardens Limited Partnership	NGL607102	Leasehold	£23,337,948.13
				Forming part of title number NGL258077	Freehold	

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